SPECIAL CITY COUNCIL MEETING

CITY OF EVANSTON, ILLINOIS
LORRAINE H. MORTON CIVIC CENTER
JAMES C. LYTLE COUNCIL CHAMBERS
Monday, April 30, 2018
6:00 p.m.

ORDER OF BUSINESS

(I) Roll Call – Begin with Alderman Wilson

(II) Mayor Public Announcements

(III) City Manager Public Announcements
      STAR Communities Recognition of City of Evanston’s 4-STAR Sustainable Community Recertification

(IV) Communications: City Clerk

(V) Public Comment
   Members of the public are welcome to speak at City Council meetings. As part of the Council agenda, a period for public comments shall be offered at the commencement of each regular Council meeting. Public comments will be noted in the City Council Minutes and become part of the official record. Those wishing to speak should sign their name and the agenda item or non-agenda topic to be addressed on a designated participation sheet. If there are five or fewer speakers, fifteen minutes shall be provided for Public Comment. If there are more than five speakers, a period of forty-five minutes shall be provided for all comment, and no individual shall speak longer than three minutes. The Mayor will allocate time among the speakers to ensure that Public Comment does not exceed forty-five minutes. The business of the City Council shall commence forty-five minutes after the beginning of Public Comment. Aldermen do not respond during Public Comment. Public Comment is intended to foster dialogue in a respectful and civil manner. Public comments are requested to be made with these guidelines in mind.
(VI) Special Orders of Business

SPECIAL ORDERS OF BUSINESS

(SP1) Resolution 25-R-18, Supporting Direct Public Transportation Service to Evanston Township High School
Staff recommends City Council adopt Resolution 25-R-18, supporting direct public transportation service to Evanston Township High School.
For Action

(SP2) Affordable Housing Work Plan Updates
Staff presents City Council with updates on the Inclusionary Housing Ordinance Subcommittee, coach houses, the Landlord Rehabilitation Assistance Program, and the three-unrelated occupancy rule.
For Action: Accept and Place on File

(SP3) Resolution 26-R-18, Execute Intergovernmental Agreement with Evanston Township High School District No. 202
Staff recommends consideration of Resolution 26-R-18 authorizing the City Manager to execute an intergovernmental agreement (IGA) with the Board of Education of the Evanston Township High School District No. 202. The IGA recognizes the mutual benefits to the City, ETHS and the community of the educational and housing program commonly known as Geometry In Construction (GIC) and memorializes the expectations and commitments of both parties to maintain the program going forward.
For Action

(SP4) Expanding Accessory Dwelling Units to Address Housing Needs in Evanston
Staff requests direction from City council regarding follow-up steps relating to Accessory Dwelling Units (ADUs) as a strategy to expand housing choices and affordable housing in Evanston. At its meeting on January 29, City Council directed staff to revise current zoning to allow rental of existing coach houses as a first step. An ordinance to permit this was introduced at the April 23, 2018 meeting. Staff proposes undertaking a comprehensive review of how to expand ADUs to further address Evanston’s housing needs. Involving the Age Friendly Taskforce in this evaluation, as well as in community outreach and education, would provide valuable perspective regarding housing needs of seniors, including smaller accessible housing units, the ability to age in place, and avoiding displacement due to rising housing costs.
For Action
(SP5) **Steps Toward Homeownership – Special Use for Small Lot Housing**
Staff recommends consideration of developing a Special Use process that would enable developers to propose the construction of modest-size homes on smaller lots than currently allowed by our zoning. This process would enable the development of "starter" homes affordable to first-time homebuyers and less affluent residents by reducing the land cost associated with the development of a single family home. It would also allow non-conforming parcels throughout our community that are currently undevelopable based on zoning to be put into productive use.

**For Action**

(SP6) **Update on Priority Based Budgeting Process**
Staff recommends Council accept and place on file the update on the priority-based budgeting process and direct staff to move forward with the public outreach portion of the process.

**For Action: Accept and Place on File**

(VII) **Call of the Wards**
(Aldermen shall be called upon by the Mayor to announce or provide information about any Ward or City matter which an Alderman desires to bring before the Council.) {Council Rule 2.1(10)}

(VIII) **Executive Session**

(IX) **Adjournment**

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**MEETINGS SCHEDULED THROUGH MAY 15, 2018**

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Meeting Name</th>
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<tbody>
<tr>
<td>5/3/2018</td>
<td>7:00 PM</td>
<td>Housing and Homelessness Commission</td>
</tr>
<tr>
<td>5/7/2018</td>
<td>6:00 PM</td>
<td>Human Services Committee</td>
</tr>
<tr>
<td>5/14/2018</td>
<td>6:00 PM</td>
<td>Administration &amp; Public Works, Planning &amp; Development, City Council</td>
</tr>
<tr>
<td>5/15/2018</td>
<td>7:00 PM</td>
<td>Housing &amp; Community Development Act Committee</td>
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Information is available about Evanston City Council meetings at: [www.cityofevaston.org/citycouncil](http://www.cityofevaston.org/citycouncil). Questions can be directed to the City Manager’s Office at 847-866-2936. The City is committed to ensuring accessibility for all citizens. If an accommodation is needed to participate in this meeting, please contact the City Manager’s Office 48 hours in advance so that arrangements can be made for the accommodation if possible.
Memorandum

To: Honorable Mayor and Members of the City Council

From: Erika Storlie, Interim Director of Community Development, Assistant City Manager

Subject: Resolution 25-R-18, Supporting Direct Public Transportation Service to Evanston Township High School

Date: April 26, 2018

Recommended Action:
Staff recommends City Council adopt Resolution 25-R-18, supporting direct public transportation service to Evanston Township High School (ETHS).

Livability Benefits:
Built Environment: Promote diverse transportation modes
Education, Arts & Community: Promote a cohesive and connected community
Equity & Empowerment: Ensure equitable access to community assets

Summary:
City staff were a part of the steering committee to the joint Pace and Chicago Transit Authority (CTA) North Shore Transit Coordination Plan & Market Analysis Study (North Shore Coordination Plan) in Northeastern Illinois. Proposed Phase 1 changes were newly released in April 2018. However, Evanston was not previously made aware, or asked to weigh-in, on the details of the service discontinuations and replacements proposed in these Phase 1 changes, including number of trips to ETHS. Route 205, which the CTA is proposing to discontinue, includes direct stops to and from ETHS. The proposed replacement for CTA Route 205 is not an equivalent service and provides an undue hardship to transit riders, resulting in a less accessible and less livable community.

Mayor Hagerty requested staff bring this resolution before City Council for consideration.

Background:
The North Shore Coordination Plan began in 2016 with rider and non-rider surveys and open houses showcasing existing conditions. Representatives from key agencies and municipalities, including Evanston, were invited to participate in the project Steering
In September 2017, Pace and CTA hosted a second round of open houses to announce proposed updates and changes to routes. No information was provided on the number of trips to ETHS or other destinations on existing routes. Representatives only noted service would continue to ETHS but did not disclose the frequency of service.

In April 2018, Pace and CTA released the Final Report and Route-by-Route Summary of Changes on the project website. These documents are dated December 2017 but were not released to the public or Evanston staff until published on the website.

As part of the release of the detailed changes to the routes in April, Pace and CTA announced a joint public hearing, scheduled for April 24, 2018, from 4:30 – 6:30 pm in the Levy Senior Center in Evanston. The public hearing was well attended and many attendees had to stand. Pace and CTA presented on the proposed North Shore Coordination Plan Phase 1 study changes outlined in the Final Report. Proposed Phase 1 changes are scheduled to begin in April 2018, after approval by both the CTA board and Pace board.

As part of Phase 1, CTA proposes the discontinuation of Route 205, which provides 15 – 30 minute service frequency from 6:20 am – 6:35 pm, including direct stops to and from ETHS. Pace proposes to replace direct service to ETHS with one route from southeast Evanston in the morning and one route from ETHS to southeast Evanston in the afternoon with the extension of Pace Route 213 to CTA Howard Terminal. The proposed replacement for CTA Route 205, with one direct morning and one direct afternoon trip to ETHS from Pace Route 213, is not equivalent service.

A lack of equivalent and direct service in the proposed Phase 1 changes makes Evanston less accessible and less equitable for all public transit users in Evanston. The City supports Pace and CTA delaying the proposed Phase 1 route changes to modify service to address the needs of all Evanston residents, including those traveling to and from ETHS.
A RESOLUTION

Supporting Direct Public Transit Service to Evanston Township High School

WHEREAS, the City is committed to promoting the highest quality of life for all residents, including accessible, equitable, and independent public transportation options; and

WHEREAS, increasing personal equity and independence in Evanston is obtained through diverse and accessible transportation choices to work, school, entertainment, shopping, and medical facilities; and

WHEREAS, Pace and the Chicago Transit Authority (CTA) conducted a joint North Shore Transit Coordination Plan & Market Analysis Study in Northeastern Illinois, including the City of Evanston, and have proposed Phase 1 service changes that are not equivalent to current service levels; and

WHEREAS, Evanston Township High School (ETHS) relies on CTA Route 205 as a critical service for the transportation of students and staff from southeastern Evanston; and

WHEREAS, CTA proposes the discontinuation of Route 205, which provides 15 – 30 minute service frequency from 6:20 am – 6:35 pm, including direct stops to and from ETHS; and

WHEREAS, Pace proposes to replace direct service to ETHS with one route from southeast Evanston in the morning and one route from ETHS to southeast Evanston in the afternoon; and
WHEREAS, the proposed replacement for CTA Route 205 with one direct morning and one direct afternoon trip to ETHS from Pace Route 213 is not equivalent service and provides an undue hardship to transit riders, resulting in a less accessible and less livable community,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:

SECTION 1: The foregoing recitals are incorporated herein by reference as though fully restated.

SECTION 2: The City supports direct public transit service to ETHS for the provision of an accessible, equitable, independent, and livable community.

SECTION 3: The City requests Pace and CTA delay the proposed Phase 1 route changes, and instead modify service to fully address the needs of all Evanston residents, including those traveling to and from ETHS.

SECTION 4: That this Resolution 25-R-18 shall be transmitted to the Pace and CTA Board of Directors for their consideration.

SECTION 5: That this Resolution 25-R-18 shall be in full force and effect from and after its passage and approval in the manner provided by law.

Attest:

_______________________________  STEPHEN H. HAGERTY, MAYOR

Approved as to form:

_______________________________  MICHELLE L. MASONCUP,

INTERIM CORPORATION COUNSEL

Devon Reid, City Clerk

Adopted: ______________________, 2018
Memorandum

To: Honorable Mayor and Members of the City Council

From: Erika Storlie, Interim Community Development Director
Sarah Flax, Housing and Grants Administrator
Savannah Clement, Housing Policy and Planning Analyst

Subject: Affordable Housing Work Plan Progress to Date

Date: April 26, 2018

Recommended Action:
Included in this memorandum are updates on the Inclusionary Housing Ordinance Subcommittee, coach houses, the Landlord Rehabilitation Assistance Program, and the three-unrelated occupancy rule.

Funding Source: N/A

Livability Benefits:
Built Environment: Support housing affordability; provide compact and complete streets and neighborhoods; and

Equity & Empowerment: Ensure equitable access to community benefits, and support poverty prevention and alleviation.

Summary:
Inclusionary Housing Ordinance Subcommittee
The Subcommittee met on January 17th, 2018, and February 7th, 2018. The next meeting was put on hold until a housing finance workshop could take place. The date for the workshop is tentatively scheduled for Wednesday, May 30th, at 6:30 p.m. It will take place in the James C. Lytle Council Chambers.

Rental of Coach Houses
City Council approved the rental of coach houses to non-family members at its meeting on April 23, 2018.

Landlord Rehabilitation Assistance Program
Staff has completed the application materials for the program. A program agreement has been drafted and sent to the Law Department for revisions. Once the agreement is finalized, staff will begin accepting applications for the program.
In addition, staff has provided a brief comparison chart (below) of the City’s CDBG Housing Rehab Program and the Landlord Rehab Assistance Program. The CDBG Housing Rehab Program is for both single-family and multi-family rehabilitation work. Both the CDBG and the Landlord Rehab Assistance programs could be beneficial for different types of rehab work. The appropriate program will be determined by staff and the landlord depending on the scope of work, and the landlord’s ability to provide money upfront. The CDBG Housing Rehab Program is designed more for property owners who lack the capacity to get market rate financing. The job specifications, bidding, work oversight, etc. is handled by the City’s housing rehab specialist to ensure all federal regulations are followed.

<table>
<thead>
<tr>
<th></th>
<th>CDBG Housing Rehab</th>
<th>Landlord Rehab Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loan terms</strong></td>
<td>0-3% interest based on underwriting; amortized or deferred based on anticipated cash flow and ability to pay debt service</td>
<td>0% interest, forgivable after affordability term</td>
</tr>
<tr>
<td><strong>City contribution</strong></td>
<td>100% of project costs up to $50,000 or $20,000/unit</td>
<td>50% of project costs, up to $50,000</td>
</tr>
<tr>
<td><strong>Affordability restrictions</strong></td>
<td>51% of units must be affordable to households earning at or 80% AMI at project completion</td>
<td>Depends on project: if rehab work only applies to one unit, that unit must be rented to HHs earning at or below 60% AMI; if project applies to whole building (such as roof work), then all units must be affordable to HHs at or below 60% AMI. HH incomes can go up to 80% AMI after initial occupancy.</td>
</tr>
<tr>
<td><strong>Length of affordability</strong></td>
<td>There are no long-term affordability requirements</td>
<td>Contingent on loan amount: Under $10,000: 10-year affordability term; between $10,000 and under $25,000: 15-year affordability term; between $25,000 and up to $50,000: 20-year affordability term</td>
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</table>
Staff seeks direction on next steps to address the occupancy limit for residential dwelling units of no more than three unrelated persons. At its meeting on October 30, 2017, City Council referred this to the Planning and Development Committee. At its meeting on January 8, 2018, the Planning and Development Committee requested a white paper on rooming houses. At the January 29 City Council meeting, the need to address occupancy standards was discussed.

At the October 30, 2017 and January 29, 2018 meetings to discuss ways to address the shortage of housing affordable to low, moderate, and middle income households, council members discussed the effect of the occupancy limit of no more than three unrelated persons per dwelling unit in the City Code. The “three unrelated clause” is difficult to enforce and impacts affordable housing options, particularly for seniors, immigrants and households of unrelated persons that are becoming more common. It limits home sharing, which can provide affordable housing in existing underutilized structures such as single family homes designed for large families/households but occupied by a senior, and provide additional income to enable owners living on a fixed income to pay property taxes and other expenses.

Discussion revolved around the ineffectiveness of the “three unrelated” ordinance at regulating behavior of individuals in housing. It was noted that over occupancy of dwelling units can be effectively addressed using the occupancy standards in the Property Maintenance code, which uses square footage and room configuration to establish maximum occupancy. In addition, the Nuisance Premises Ordinance provides a means to address behavior of residents that is disruptive to neighbors. The ability of landlords to rent to four or more unrelated students for higher rent, or to not address maintenance needs because the students could not request a compliant-based property standards inspection to address the issues without risking eviction for non-compliance with the three unrelated rule was also discussed.

Rooming houses, which are already addressed in City zoning, were discussed as a means of allowing larger numbers of unrelated people to share a dwelling unit. However, current zoning restricts rooming houses to multi-family zoning districts as a special use; rooming houses are not allowed in single family zoning districts. A staff memo on rooming houses in Evanston and a map of their locations is attached.

Additional considerations
Cohousing, a housing alternative more common in Europe, particularly in Denmark where it began, is gaining interest in the U.S. The cohousing movement seeks to create intentional communities whose residents commit to being a part of the community for their mutual benefit. It also has some common elements with the sharing economy. Individuals or families live in their own dwelling spaces, yet share common spaces and activities, such as cooking and dining. Cohousing can take many forms and can be ownership or rental. A number of cohousing developments for seniors have been developed and AARP is advocating for expansion of cohousing to address the needs of the growing senior population.
In addition, there are a small number of housing cooperatives in Illinois, including the Stone Soup Cooperative and Qumbya Housing Cooperative, both in Hyde Park, where residents live in groups and share household chores, often paying below-market rents. Some cooperatives are structured like college dorms, where each resident has a separate room but shares common rooms and appliances or bathrooms with multiple stalls. Qumbya has more than 50 residents ranging in age from young children to retirees living in three separate properties. The Fellowship for Intentional Community lists 20 communities in Illinois, including Reba Place Fellowship in Evanston.

Additional research could be undertaken on cohousing and cooperative options as a means of expanding affordable housing options at the direction of the Council.

City Code relating to occupancy is shown below.

6-18-3. - DEFINITIONS.

<table>
<thead>
<tr>
<th>FAMILY:</th>
<th>(A) Type (A) Family: One (1) or more persons related by blood, marriage, or adoption living together as a single housekeeping unit in a dwelling unit.</th>
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<tr>
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<td>(B) Type (B) Family: Two (2) unrelated persons and their children living together as a single housekeeping unit in a dwelling unit.</td>
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<tr>
<td></td>
<td>(C) Type (C) Family: A group of not more than three (3) unrelated persons living together as a single housekeeping unit in a dwelling unit.</td>
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<td></td>
<td>(D) Type (D) Family: A group of two (2) or more persons containing within it one (1) or more families, as defined in Subsections (A) and (B) of this definition, including a husband and wife married to one another and their children, as well as adults, living together in a dwelling unit as a single housekeeping unit and management, in premises in which the adult occupants are affiliated with a bona fide not for profit corporation organized for religious purposes chartered by the state of Illinois, that owns or rents the property and has been in existence for at least five (5) years prior to seeking certification by the director of planning and zoning as provided herein; provided, that in no case shall the total occupancy of the dwelling unit exceed two (2) persons per bedroom, nor shall the premises be utilized for religious public assembly. This type (D) family may occupy a dwelling unit only in accordance with the procedures in Section 6-4-1-14 of this Title.</td>
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<td></td>
<td>&quot;Family&quot; shall not be construed to mean a club, a lodge or a fraternity/sorority house.</td>
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6-4-1-14. - OCCUPANCY OF DWELLING UNITS.

No dwelling unit shall be occupied by more than one (1) type (A), type (B), or type (C) family, as defined in Chapter 18, "Definitions," of this Ordinance except as hereinafter provided:

(A) Upon written application to the Zoning Administrator, certification of approval shall be issued or occupancy for a dwelling unit by a type (D) family in all districts where dwelling units are allowed, except the R1 and R2 districts, provided that the application establishes that the occupancy conforms with the definition of a type (D) family. The members of a type (D) family household shall not keep or store more than one (1) motor vehicle for each such dwelling unit or for each off-street parking space lawfully existing in connection with such dwelling unit, whichever is greater. Certification would be revoked at any time the occupancy or off-street parking no longer
conforms to the definition of a type (D) family, or if a request for current records is not answered so as to establish that the type of ownership complies with the definition of a type (D) family.

(B) No dwelling unit which contains less than one thousand (1,000) square feet of floor area shall be used to provide living quarters for roomers, servants or permanent guests. Where the floor area of a dwelling unit exceeds one thousand (1,000) square feet and the family occupying the dwelling unit is a type (A) or type (B) family then the dwelling unit may also be used for living quarters for not more than two (2) servants, roomers, or permanent guests, provided that the living quarters are located within the dwelling unit as a physically integral part.

Attachments:
- Landlord Rehabilitation Assistance Program Guidelines
- Residential Housing Rehabilitation Program Description & Guidelines
- Rooming houses memo from January 29, 2018
- A map of the city’s rooming houses
City of Evanston
Landlord Rehabilitation Assistance Program

Program Guidelines
Approved by City Council March 12, 2018
Program Purpose and Overview

The purpose of the Landlord Rehabilitation Assistance Program (“the Program”) is to maintain existing affordable housing throughout the city by providing financial assistance to local landlords. The Program is for landlords that own and manage affordable rental units in Evanston.

Program participants are eligible to receive City funding upon the completion of their approved rehabilitation work (“the Project”). The funding is in the form of a loan, forgivable over a specified time year period that is contingent on the loan amount. Applicants seeking funding for building improvements are eligible for up to 50% of the total project cost, for a maximum amount of $50,000 in City funding. Applicants that have received assistance from this Program within the last ten years are not eligible for funding.

The Program is managed and administered by the Housing and Grants Division of the Community Development Department.

Eligibility Criteria

Eligible participants of the Program include rental property owners with income qualified tenants in the building or unit(s) being rehabbed. A property owner of affordable rental units must:
- Be current on all fees and taxes owed to the City of Evanston;
- Be in good standing with the City regarding code violations and inspections;
- Have income qualified tenants that are at or below 60% of area median income at initial occupancy; and
- Re-certify household incomes on annual basis to ensure that they are at or below 80% AMI after initial occupancy.

The needs of the property will be evaluated and rehabilitation project specifications will be prioritized to address the following conditions, listed in order of priority:

1. **Code Violations and Life-Safety Needs:** These items are included in the City of Evanston’s housing code, building code and rehabilitation standards, oftentimes the building owner may have been given a written notice of a violation by the City’s Building Department of Property Standards Division.
   - Life threatening conditions
   - Health and safety items
   - Items which alleviate a physical hardship for disabled or elderly tenants, such as egress ramps, grab bars, mobility modifications to kitchen and baths, etc.

2. **Incipient code violations:** These items include those elements which will lengthen the useful life of the structure, but are not yet an immediate threat to the occupants or the structure.

3. **Energy and resource conservation:** These items are directly related to the conservation of energy and resources by upgrading the dwelling’s thermal protection, installing water saving fixtures, installing energy-efficient furnaces or other major mechanical equipment, and/or window replacement. These items are to conform to the Department of Housing and Urban Development’s “Initiative on Energy Efficiency in Housing.”
Rehabilitation activities which are generally eligible are replacement of major building components (roof, HVAC, plumbing, electrical, etc.) that are no longer functioning, replacement of windows and/or doors that are not safe and do not properly secure the home, modernization of kitchens and bathrooms, and interior/exterior property preservation (such as painting, siding, tuck pointing, soffit and fascia repair or replacement, etc.). All Projects completed through this Program must conform to the City of Evanston Property Rehabilitation Standards for the HOME Investment Partnerships Program/Community Development Block Grant.

Basic maintenance, including cleaning and repainting of units before being leased, and beautification, whether interior or exterior, would not be eligible expenses unless necessary to return the property to its condition after other eligible work described above has been performed. Creation of new or additional habitable space is not allowed as part of the scope of work.

Once the work specifications are agreed upon, the landlord will be responsible for soliciting a minimum of three (3) construction bids, with a preference for local MWEBE contractors, for all work. The landlord has the ultimate responsibility for selection of the contractor. If the lowest responsible bid is not accepted, the landlord must provide a justification for using another contractor.

Throughout the duration of the forgivable loan, the landlord will be required to submit annual compliance reports to the City in order to ensure the building or unit(s) remains affordable. If the landlord maintains compliance with the affordability restrictions for the life of the loan, the loan will be forgiven and the City’s lien will be released from the property.

Landlord Rehabilitation Assistance Program Administration

The Program provides participants the opportunity to receive funding of up to 50% of the total Project costs, upon approval and completion of rehabilitation work for the Project, up to an approved amount of less than or equal to $50,000. Participants are responsible for submitting billing and payment requests to the City. The participant shall pay 50% of the bill for completed work on the Project, and the City will pay the balance. The City shall not make payments of less than $10,000, unless the payment is for the Project's final bill.

Funding Source(s): Projects will be funded through: The City’s Affordable Housing Fund.

Payment/Forgivable Loan: The funding is in the form of a loan, forgivable over a specified time period contingent on the loan amount, as follows:

- Under $10,000: 10-year affordability term
- Between $10,000 and under $25,000: 15-year affordability term
- Between $25,000 and up to $50,000: 20-year affordability term

If the rehab work is for one unit only, then the affordability terms would apply to that unit. If the rehab work is for the building as whole, such as roofing, HVAC, etc., then the entire building is subject to the affordability terms.

Terms & Conditions
In accordance with the Program Guidelines, the City of Evanston will provide financial assistance up to the approved amount of a project at no more than half of the total project cost. The funding will come in the form of a loan forgivable over the time period specified above.

Any draws paid by the City of Evanston pursuant to this program shall not be made until all work has been approved by the City. Additionally, all payments for said work must be made to directly to the contractors, material suppliers, and vendors. Participants of the Program must submit to the City of Evanston itemized invoices detailing work completed and materials purchased. Such invoices shall include proof of payment to all contractors, suppliers, and vendors. Documentation must be submitted within 45 days of project completion. The participant shall also submit unconditional lien releases and other documentation as required by this Program. The participant is responsible for 50% of all payments to all contractors, material suppliers, and vendors.

Any draws paid by the City of Evanston pursuant to this Program constitute loans made to the participants. Said loans will be forgiven, as described in the Program Agreement, however, if the property owner or successor-in-interest assumes the participant’s obligations of the Program Agreement pursuant to a City-approved assignment and assumption agreement, and continues to house income qualified tenants in the rehabilitated property and maintain the improvements for a specified period time period (10, 15, or 20 years) from the date the program agreement is signed without removing or significantly altering the Improvements, as determined by the City of Evanston in its sole discretion.

If the property owner sells the property owner or fails to maintain affordability through the life of the forgivable loan, the remaining share of the loan (prorated on a monthly basis) shall become due, plus three percent (3%) interest per annum payable to the City of Evanston is due within thirty (30) calendar days, unless the succeeding property owner or business owner (i) assumes the obligations of the Program Agreement pursuant to a City of Evanston approved assignment and assumption agreement, and (ii) does not make any changes to the property resulting in the removal of significant alteration to the Improvements, and maintains the Improvements for the specified time period in the loan (10, 15 or 20 years) from the date of the last payment made by the City for the Project. The prorated amount due will be obtained by multiplying the original loan amount times the percentage obtained by dividing the number of months remaining in the loan’s time period that commences on the month that the program agreement is signed and ends, which is the total number of months in the loan period.

**Prevailing Wages:** Projects utilizing Affordable Housing Funds are not required to comply with federal Davis-Bacon Prevailing Wages or State of Illinois Prevailing Wages.

**Project Completion:** Projects must be completed within 180 business days of receiving the Notice to Proceed by the City.

**Property Taxes and Liens:** Property taxes must be current, and participants may have no debts in arrears to the City when the Commitment Letter is issued. The property must also be clear of all other non-debt related liens.
INTRODUCTION

The City of Evanston is dedicated to promoting safe, sanitary and decent housing for its citizens. To facilitate this, the City offers a Housing Rehabilitation Program, funded by the Department of Housing and Urban Development’s Community Development Block Grant (CDBG) program, which provides financing to maintain and improve the quality of Evanston’s housing stock that is occupied by low and moderate income households. The Rehabilitation Program provides income eligible owner-occupants and owners of residential investment properties that are occupied primarily by income eligible households, with financial assistance in the form of below market rate loans to accomplish this purpose.

The guidelines as set forth in this manual include the program purpose and priorities, eligibility criteria, program design, rules and policies that generally govern the Housing Rehabilitation Program.

PURPOSE, OBJECTIVES AND PRIORITIES

The Housing Rehabilitation Program was developed to improve the quality of housing, and therefore quality of life, for low to moderate income owners and renters by providing necessary improvements to meet their housing needs.

PROGRAM OBJECTIVES

1. To provide safe and sanitary housing to low and moderate-income homeowners and renters within the City of Evanston;
2. To encourage the revitalization, preservation, and stabilization of primarily low and moderate income neighborhoods in Evanston;
3. To reduce housing costs for low to moderate income residents by incorporating energy conservation techniques into housing rehabilitation projects;

PROGRAM PRIORITIES & ELIGIBLE ACTIVITIES

Loans will considered based on the applicant’s ability to incur and repay, whether immediately or in the anticipated future, debt obligations made using the property as collateral. The needs of the property will be evaluated and rehabilitation project specifications will be prioritized to address the conditions set forth, in the following order:

1. Code Violations and Life-Safety Needs
   These items are included in the City of Evanston’s housing code, building code and rehabilitation standards, oftentimes the building owner may have been given a written notice of a violation by the City’s Building Department or Property Standards Division.
• Life threatening conditions
• Health and Safety items
• Items which alleviate a physical hardship for disabled or elderly applicants, such as egress ramps, grab bars, mobility modifications to kitchen and baths, etc.
• Structural, electrical, mechanical, plumbing, fire prevention and other code items not addressed above

2. **Incipient Code Violations**
These items include those elements which will lengthen the useful life of the structure, but are not yet an immediate threat to the occupants or the structure.

3. **Energy and Resource Conservation**
These items are directly related to the conservation of energy and resources by upgrading the dwelling’s thermal protection, installing water saving fixtures, installing energy-efficient furnaces or other major mechanical equipment, and/or window replacement.

Items in this category, that are not already part of the scope of work due to a need as listed in Categories 1 or 2 above, will be completed if the Borrower’s financials allow for the loan to increase in order to complete items within this category. These items are to conform to the Department of Housing and Urban Development “Initiative on Energy Efficiency in Housing”.

Rehabilitation activities which are generally eligible are replacement of major home components (roof, HVAC, plumbing, electrical, etc.) that are no longer functioning, replacement of windows and/or doors that are not safe and do not properly secure the home, demolition of structures (such as a garage) if deemed an unsafe structure and interior and exterior property preservation (such as painting, siding, tuck pointing, soffit and fascia, tree removal if tree is diseased or deemed hazardous, etc.).

At no time will unnecessary beautification, whether interior or exterior, be added as a scope of work, unless it is necessary to return the property to the condition it was prior to other work (as described above) being performed. Creation of new or additional habitable space is not allowed as part of the scope of work.

**GENERAL RULES AND TERMS OF ELIGIBILITY**

**ONE & TWO-UNIT AND CONDOMINIUM OWNER-OCCUPIED REHABILITATION**

The following general rules govern the financial conditions that apply to all programs offered under the One and Two-Unit as well as Condominium Owner-Occupied Rehabilitation Program. Applicants who do not meet the criteria set forth in these General Rules will be denied assistance.
1. Applicant must own and occupy a single-family property, two-unit property or condominium unit as their principal residence throughout the term of the loan.

2. The income of the entire household cannot exceed 80% of the median income of the Chicago Primary Metropolitan Statistical Area (PMSA). Income eligibility is determined using 24 CFR Part 5 method of income determination. See Appendices for current income limits and a description of how household income is determined.

3. With two-unit properties, the unit not occupied by the owner must be occupied within four (4) months of completion of the Housing Rehabilitation. Eligibility will be determined based on the owner’s unit and household information only; there are no restrictions on household income or rent amount for the rental unit.

4. An applicant will be ineligible for any housing rehabilitation program if he/she owes any back taxes or if there are any adverse encumbrances, judgments or liens on the property to be rehabilitated.

5. Housing Rehabilitation loans may be made in a subordinated position to a fixed-rate primary mortgage, however, subordination to reverse or adjustable-rate mortgages are not allowed. Subordination to other loan products will be evaluated on a case by case basis.

The final loan to value ratio, including the City’s funding, must be 100% or less. The loan to value is calculated by adding the market value of the property to 50% of the rehabilitation costs, which is then divided by the total of all mortgages on the property. If there is a household with a code violation or life-safety need that exceeds the 100% value limit, consideration will be made on a case by case basis, under the assumption the household would otherwise qualify for a loan.

6. In the event of a sale or transfer of property; refinancing of the primary mortgage (if applicable) without a subordination approval from the City of Evanston; death of the borrower(s); or vacancy of the premises by the owner; the loan is due payable in full. Heirs of the property may make application for a new loan and are required to meet the program eligibility requirements at the time of application. The loan must be paid off or an application for a new loan must be made within 60 days of the loan recipient’s death. If an application is not received within 60 days, the loan will start accumulating interest at a rate of one-half of the 30-year Treasury Bond rate as issued monthly. If the property is transferred to a minor due to death or incapacity of the borrower, the laws of wills and trusts in the State of Illinois shall apply. After the minor has reached the age of 18, the individual assumes the obligations and restrictions contained within the title transfer loan, namely the Mortgage and Promissory Note, to the extent permitted by law.

7. No applicant shall receive additional rehabilitation assistance within 10 years of the date of completion of the original rehabilitation loan; if an existing rehabilitation loan is in default status; or if the owner has a previously defaulted loan that has been written off by the City of Evanston. Consideration will be given to emergency repairs where health or life safety concern
exists where previous assistance was provided within the 10 year period.

8. For single-family or two-unit properties the maximum loan amount is $50,000. For condominium units, the maximum loan is $20,000 per unit. The actual loan amount will be determined by the City’s loan committee with consideration of applicant’s financial circumstances, the value of the home before and after rehabilitation and the scope of the work as determined by the Housing Rehabilitation Specialist.

9. For condominium units, loans are only for those areas within a unit that the owner of the unit has authority to change, alter or improve, as defined by the condominium declaration, by-laws, and or other rules and regulations as issued and adopted by the condominium association or board. If condominium covenants require board notification for work performed, an affidavit of notification will be requested.

10. Cooperatives are not eligible for the CDBG-funded rehabilitation program.

INVESTOR OWNED RENTAL REHABILITATION

The following general rules govern the financial conditions that apply to all programs offered under the Investor Owned Rental Rehabilitation Program. Applicants who do not meet the criteria set forth in these General Rules will be denied assistance.

1. Applicant must own a building containing two or more rental units. Condominiums and cooperatives are not eligible for this program.

2. Applicants cannot owe any back taxes on the property nor have any outstanding adverse encumbrances, judgments or liens.

3. The maximum loan for is $20,000 per unit. The actual loan amount will be determined by the City’s loan committee with consideration of applicant’s financial circumstances, the value of the property before and after rehabilitation and the scope of the work as determined by the Housing Rehabilitation Specialist.

4. Housing Rehabilitation loans may be made in a subordinated position to a fixed-rate primary mortgage, however, subordination to reverse and adjustable-rate mortgages are not allowed. Subordination to other loan products will be evaluated on a case by case basis.

The final loan to value ratio, including the City’s funding must be 100% or less. The loan to value is calculated by adding the market value of the property to 50% of the rehabilitation costs, which is then divided by the total of all mortgages on the property. If there is a household with a code violation or life-safety need and funding exceeds the 100% value limit, consideration will be made on a case by case basis, under the assumption the household would otherwise qualify for a loan.

5. No applicant shall receive additional rehabilitation assistance within 10 years of the date of completion of the original rehabilitation loan; if an existing rehabilitation loan is in default status; or if the owner has a previously defaulted loan that has been written off by the City of
6. Applicants shall execute a personal guarantee for the amount of the loan, in addition to executing an Assignment of Rents.

7. At least 51% of all units must be occupied by tenants with an income at or below 80% of the median income of the Chicago Primary Metropolitan Statistical Area (PMSA). Income eligibility is calculated using 24 CFR Part 5 method of income determination. See Appendices for current income limits and a description of how household income is determined.

The income-qualified units must be rented at affordable rates as defined by current HUD Fair Market rates. Tenant verifications for income must be submitted on an annual basis by the building owner. See Appendices for information regarding Fair Market Rents and Tenant Income Reporting.

8. Buildings with eight or more units are subject to Davis-Bacon Standard Provisions and other Related Acts. Buildings with more than four units are subject to the Uniform Federal Accessibility Standards.

9. The program is subject to the availability of funding.

APPLICATION PROCEDURES

The Community Development Department’s Building & Inspection Services Division has programmatic oversight of the application and loan qualifying process. All loans will be taken to the Loan Committee for review and determination of approval and loan terms. The application process is as follows:

1. Inquiries regarding the program may be directed to the staff of the Housing Rehabilitation Program. Upon request, any interested party can be sent an application form, which must be completed in its entirety and submitted with all requested supplemental information related to the Household’s income, asset and debt history.

2. Completed applications are to be submitted to the City for consideration; applications will be prioritized first by priority needs (life-safety issues will take precedence over incipient code violations, for example) and second by date of receipt. Any application being held on the waiting list for another application will be notified in writing as such, and owner will have the opportunity to withdraw application. Once a wait list application begins to be processed, the property owner will be notified in writing as such.

3. If any additional information or documentation is needed in order to process an application, Housing Rehabilitation Program staff will contact the applicant and/or a member of their household. Failure to provide this information or documentation could render the application incomplete and unable to be processed.

4. Staff will review the property for compliance with HUD’s required environmental review process, which includes a historic preservation review. It must be determined that there are
no adverse environmental conditions present that would disallow the project from moving forward. More information regarding the Environmental Review Process can be found in the section below. Any structure designated as a Landmark Building by the Evanston Preservation Commission shall be subject to review by that Commission before rehabilitation can be considered for approval.

5. Income will be calculated for the household using the HUD Part 5 definition of income, which will be used to determine eligibility. If a household is determined to be income eligible, the Housing Rehab Specialist will make an appointment with applicant(s) to complete a home inspection to determine the scope of work and estimated budget based on the program priorities listed previously. The inspector will evaluate the needs of the home utilizing the City Inspection Checklist (see Appendices). The proposed scope of work and estimated cost will be presented to the loan committee for consideration. If a project is determined to be ineligible for assistance, a letter will be sent to the applicant informing the applicant(s) the reason for denial; the applicant shall have five (5) business days from the date of the letter to appeal a denial.

6. The Committee will review all information including household income, household size, applicant(s) debt and mortgage information, scope of work, preliminary budget and any relevant supporting information (such as pictures, code violations, etc.). The Committee will make a decision as to what the applicant(s) are able to afford, what work shall be considered part of the final scope of work and the terms of the loan (See Loan Terms and Conditions for more information on how this is evaluated).

7. A letter detailing the decision of the Loan Committee shall be sent to the applicant(s) within two (2) business days of the Loan Committee meeting; the applicant(s) shall have up to five (5) business days to accept the loan and shall schedule a loan closing appointment with the staff of the Housing Rehabilitation Program. If the loan is denied by the Loan Committee, a letter will be sent informing the applicant(s) the reason for denial; the applicant shall have five (5) business days from the date of the letter to appeal a denial.

8. If approved, the applicant shall sign a mortgage, note and project agreement consistent with the terms of the approved loan. The documents shall be recorded at the Cook County Recorder of Deeds office by staff.

**LOAN TERMS AND CONDITIONS**

Each applicant, if determined to be income-eligible for participation in the CDBG-rehabilitation loan program, will be evaluated to determine what loan terms they are able to afford. This is based on an analysis of the scope and cost of the work to be performed, value of the home, outstanding mortgage loan(s), household debt-to-income ratio and any other factors affecting the long-term affordability of the home. Investor-owned rental properties will also be evaluated on the property’s operating budget and capital improvement plan reserves.

The analysis will be brought to a loan committee, composed of no less than three Building & Inspection Service and Housing & Grants staff members, who collectively make a decision as to income-eligibility, scope of work approval and assignment of loan product. All approved loan
applicants will receive either an amortized loan or a deferred loan from the City. Appeals of loan committee decisions may be made within five (5) business days of the date on the notification of decision.

DEFERRED LOAN

A Deferred Loan has zero (0%) interest and no monthly payments. When the property is sold or title otherwise transferred, or in the event of the death of the mortgagee, the Deferred Loan becomes due and payable in full. A mortgage will be recorded in the full amount of the Deferred Loan.

This product will be offered to income-eligible owner-occupants of single-family, two-unit and condominium units who do not have the financial capacity to afford loan payments due to their income, high cost of living and/or high debt-to-income ratio, as determined through underwriting. Usually this will be for households with a total debt-to-income ratio at or above 43% for a 20 year loan term.

A deferred loan may be offered to investor-owned properties that show insufficient capacity to operate the property as safe and sanitary housing and cover additional debt service based on an underwriting review of the property’s pro forma and capital replacement plan. Owner(s) will have to demonstrate an inability to provide outside investment (private financing, conventional loan or line of credit, etc.) for a deferred loan to be considered.

This product may also be offered to non-profit agencies for housing that serves low-income, special needs populations where the agency does not have adequate capital reserves for needed improvements. These situations will be reviewed on a case-by-case basis, with an analysis of the property’s operating budget, rent roll and capital improvement plan to determine inability to make repairs outside of CDBG investment.

AMORTIZING LOAN

An Amortizing Loan has equal monthly payments for the term of the loan. The loan term may be 5, 10, 15 or 20 years and is based on the size of the loan and the mortgagee’s capacity to carry debt service based on underwriting.

This product will be offered at zero (0%) interest to income-eligible owner-occupants of single-family homes, two-flats or condominium units who have been determined have the capacity to afford loan payments based on their household income, housing debt, debt-to-income ratio and other factors, as determined through underwriting. Usually loan terms will be structured so that the household’s total debt-to-income ratio does not exceed 43% over a 5, 10, 15 or 20 year loan term.

An amortizing loan with interest may be offered to investor-owned properties or non-profit agencies who own and operate rental properties which, through underwriting, based on the property’s operating pro forma and capital replacement plan, show a capacity to operate the property as safe and sanitary housing and cover additional debt service over a 5, 10, 15 or 20 year period. The interest rate will be determined through underwriting and will not exceed 3%.
LOAN SERVICING

Upon completion of the rehabilitation project, a loan completion letter will be sent to the owner as a confirmation of project completion and a reminder of the terms of the project, including ongoing compliance requirements and loan terms. Annual compliance requests will be sent to owners for the term stated in the mortgage, note and project agreement, or until the loan is fully satisfied, whichever comes first. The City shall have the right to call the Note as due in full in the event of a default for non-payment or non-compliance of all terms of the mortgage, note and/or project agreement.

Housing Rehabilitation loans may be subordinated to another mortgage to allow a property owner to refinance a first mortgage, provided that the refinance is to better the financial situation of the property owner (e.g.: lower interest rate, more affordable payment, etc.). In order for a subordination request to be considered, the new loan and homeowner must meet the following criteria:

- The terms of the new loan are not predatory
- There is no cash out (the homeowner cannot receive a check from the new lender due to the new loan)
- The property owner is in compliance with all aspects of the Housing Rehabilitation loan they currently have.

A service charge of $50.00 shall be required to process the subordination agreement. Applicant shall submit a completed subordination agreement request with an accompanying remittance of $50.00 to the City. All requests require a minimum processing time of two weeks. The mortgagee is responsible for payment of recording costs.

REHABILITATION STANDARDS AND PROJECT MANAGEMENT PROCEDURES

These general procedures and physical standards for the rehabilitation of existing residential properties have been developed to provide minimum design and construction criteria for the City Rehabilitation Program. These provisions are intended to serve as an aid in carrying out rehabilitation objectives and goals, which seek to address those physical, social, and economic factors which have tended to contribute to neighborhood deterioration.

REHABILITATION STANDARDS

The Housing Rehabilitation Program uses a combination of HUD’s Housing Quality Standards (HQS), HUD’s Final Rule on Lead-Based Paint Poisoning, the City of Evanston’s Building Code and the International Code Council’s (ICC) International Property Maintenance Code (IPMC), International Residential Code (IRC) and the International Energy Conservation Code (IECC) as the basis for determining minimum property standards. These code standards are hereby incorporated by reference and made a part of these property rehabilitation standards. Additionally, the rehabilitation program will utilize an inspection checklist (see appendices) as a basis for determining the needs of the properties that are rehabilitated under this program. The rehabilitation standards may be superseded in whole or in part by the above codes in instances where code requirements are more stringent.

The purpose and intent of the rehabilitation standards are three-fold:
1. To assure improved housing that is livable, healthful, safe, and physically sound, and at the same
time is low enough in cost for the present residents of the building to afford.

2. To provide a guide to an acceptable minimum level for residential rehabilitation with sufficient
flexibility to meet varied local conditions.

3. To encourage innovation and improved technology for reducing construction and maintenance
costs in order that safe and decent housing may be provided to as many City residents as possible.

Rehabilitation work completed as part of this program shall be in compliance with the above listed
codes and standards; while it is the goal of the program to bring the home completely up to code, it
may not always be feasible as the home may require more work than is financially feasible. When
there is more work than dollars available to bring a home up to code, work will be given consideration
based on the program priorities listed on pages 2 and 3. All work shall be done with medium and/or
construction grade materials; there shall be no ability for the owner to upgrade materials to luxury
grade. If there shall be a change in any project specification due to an item being out of stock of the
contractor’s inability to find the originally contracted item, replacement items shall be of similar size,
quality, and shape unless noted otherwise.

Energy efficiency improvements shall be made when either the component is at the end of its useful
life or the cost of the rehabilitation of said component shall bear a cost that is realized in energy-
efficiency savings within the life expectancy of the component or 20 years, whichever is less.

ENVIRONMENTAL REVIEW

The City of Evanston is the Responsible Entity for the City’s entitlement grants and is therefore
responsible for the Environmental Review (ER) referred to in the regulations at 24 CFR Part 58 for
CDBG-funded activities. Housing and Grants staff ensure that the ER process is complete and in
compliance with the National Environmental Protection Act (NEPA) before funds are committed to a
specific activity. The City’s Community Development Director is the Certifying Officer (CO) for HUD
Environmental Reviews for purposes of compliance, having been delegated that role by the City
Manager. The CO is the decision-maker concerning whether a project is approved or rejected on the
basis of the environmental review findings.

The Housing Rehab Specialist is responsible for conducting ERs for specific housing rehab projects.
The City plans to use a tiered review process for Housing activities for its 2015-2019 ConPlan. The
Grants and Compliance Specialist will be responsible for the Tier 1 review, which addresses all
environmental issues that can be addressed on a community wide basis such as airports and farmland.
The Housing Rehab Specialist will complete the Tier 2 review, which addresses all issues that are site
specific, including noise, above and underground storage tanks and Historic Preservation, under the
supervision of the Grants and Compliance Specialist.

Procedures
The Housing Rehabilitation Specialist and Grants and Compliance Specialist use the Environmental
Review Process flowchart provided by the Region 5 Environmental Officer to determine the level of
review for each activity as outlined below:
• Review of all activities funded in the annual Action Plan to determine the level of ER based on activity type (Exempt; Categorically Excluded, Not Subject to 58. 5; Categorically Excluded, Subject to 58.5; or Environmental Assessment), including consideration of using tiered or aggregated reviews for projects with unspecified sites.

• Complete the appropriate ER form (Exempt, Statutory Checklist, Environmental Assessment, or other applicable review format) by conducting research on the various laws and authorities, collecting information and documentation, making determinations and consulting with appropriate agencies and resources.

• Publish or post any applicable notices relating to use of funds for the appropriate length of time based on the ER level and receive any comments

• If required, submit the Request for Release of Funds (RROF) (7015. 15) to HUD

• Pending receipt of the Authority to Use Grant Funds from HUD (Form 7015. 16), enter into agreements (subrecipient agreements, memoranda of understanding (MOU), or contracts, as appropriate); these agreements include federal uniform administrative and cross-cutting requirements, as applicable.

The City will re-evaluate its environmental findings and decisions if there are substantial changes in the nature, magnitude, or extent of a project, or if environmental conditions are discovered during implementation of a project. If the changes do not affect the original determination, this will be documented to the file. In any instance where changes make the original determination invalid, a new ER will be prepared.

Record Keeping
A written Environmental Review Record (ERR) will be created and maintained for every activity and project funded in full or part with CDBG (§ 58.38). The ERR substantiates decisions and conclusions concerning the environmental impact of the activity or project. Each ERR is retained in the project file in compliance with CDBG records retention policy and includes the following documentation as appropriate based on the level of review:

• Complete description of the activity or project, including funding amount and source(s), with pictures of the site and renderings of completed project, as appropriate

• Completed ERR form (dated and signed by CO)

• Documentation of the evaluation of the effects of the activity or project on the environment, including, but not limited to:
  o Consultation with applicable authorities, including Historic Preservation Planner
  o All determinations and findings
  o Verifiable source documents and relevant base data
    ▪ Maps (including the location of the project)
    ▪ Letters of correspondence, approvals or required permits
    ▪ Phase I and Phase II Environmental Site Assessment reports

LEAD BASED PAINT POLICY & PROCEDURES

All housing units in a project assisted with CDBG funds must comply with the regulations of the Lead
Safe Housing Rule (LSHR) found at 24 CFR Part 35. The purpose of this regulation is to notify the occupants of the hazards of lead-based paint and to identify and address lead-based paint hazards during the project. Specific requirements vary depending on the type of work performed and the level of federal subsidy. For CDBG-funded projects involving the acquisition or rehabilitation of housing, the lead-based paint requirements established by the regulation fall into the major categories listed below:

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<th><strong>Summary of Required Activities to Address Lead-Based Paint</strong></th>
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<td>Ongoing Maintenance</td>
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**Exemptions**

CDBG projects may be exempt from the Lead Safe Housing Rule if they meet the criteria listed below:

- Housing units constructed after 1978.
- Emergency repairs to residential properties are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency.
- Properties that will not be used for human residential habitation. This does not apply to common areas such as hallways and stairways of residential and mixed-use properties
- Housing projects exclusively for the elderly or persons with disabilities, with the provision that children less than six years of age will not reside in the dwelling unit.
- An inspection performed according to HUD standards found the property contained no lead-based paint
• According to documented methodologies, lead-based paint has been identified and removed, and the property has achieved clearance
• The rehabilitation will not disturb any painted surface
• The property has no bedroom.
• The property is currently vacant and will remain vacant until demolition

**The Renovation, Repair, and Painting Rule (RRP Rule)**

The Renovation, Repair, and Painting Rule (RRP), issued by the EPA in 2008 and amended in 2010 and 2011, requires the use of lead-safe practices and other actions aimed at preventing lead poisoning. Contractors performing renovation repair, and painting projects that disturb lead-based paint in homes built before 1978 must be EPA-certified and must follow specific work practices to prevent lead contamination. Further, for jobs where lead-based paint is disturbed, firms must assign one or more “certified renovators,” who have successfully completed an EPA-approved training course. All renovation workers must receive on the job training from the certified renovation. Projects subject to the EPA RRP do not require clearance examinations.

All contractors with RRP covered projects funded by CDBG must follow these three simple procedures:

- Contain the work area
- Minimize dust
- Clean up thoroughly.

**Procedures**

Applications for funding are reviewed by Housing and Grants staff to determine if they are subject to either the HUD LSHR or the EPA RRP and provide information on the appropriate regulations, including the certifications required for any paint inspectors, risk assessors and individuals performing lead clearance testing, from 40 CFR 745.226. Bid documents for covered projects must specify any certifications required by contractors and the project budget must include costs for evaluating lead-based paint hazards, as well as appropriate lead hazard reduction activities (paint stabilization, interim controls or abatement) in their project budgets.

The City’s Housing Rehab Specialist is responsible for ensuring compliance with LSHR on all rehab projects and must be a certified Illinois Department of Public Health Lead Inspector.

The Rehab Specialist is responsible for:

- Calculating the level of assistance by taking the lower of the per unit rehabilitation hard costs (regardless of source of funds) or the per unit Federal assistance (regardless of the use of the funds).
- Determining the most appropriate approach to evaluate lead hazards and address them as summarized below:
- For projects ≤ $5,000 per unit, workers must be trained in safe work practices, notices must be provided to owners and tenants, and clearance must be achieved.
- For projects between $5,000 and $25,000 per unit, either:
  - Presume that lead-based paint is present and perform standard treatments in lieu of interim controls on all applicable painted surfaces and presumed lead-based paint hazards
Conduct a lead hazard screen instead of a risk assessment. If the screen indicates there is no lead contamination, no lead hazard reduction is required. If the screen indicates the presence of lead, a risk assessment must be conducted and required interim controls and clearance performed.

- For projects over $25,000 per unit, either:
  - Presume that lead-based paint hazards exist and abate all applicable painted surfaces that will be disturbed during rehabilitation and all presumed lead hazards
  - Conduct a lead hazard screen instead of a risk assessment. If the screen indicates there is no lead contamination, no lead hazard reduction is required. If the screen indicates the presence of lead, a risk assessment must be conducted and required abatement and clearance performed.

The Rehab Specialist is responsible for ensuring all notifications, including the Lead Hazard Information pamphlet, Evaluation or Presumption of Lead Hazards, and Lead Hazard Reduction work, are provided to property owners and residents; and that contractors have the appropriate certification and training and all lead safe practices are followed. All actions must be documented in the project file.

PROJECT MANAGEMENT & REHABILITATION PROCEDURES

1. Prior to a final approval, but after the project has been determined to be income-eligible, the Rehab Specialist will make an appointment with the owner to inspect the property. The purpose of the inspection is to assess the needs of the property and determine a final scope of work, including the requirements to address any lead hazards. The Rehab Specialist will create a preliminary scope of work and budget based on the inspection which will then be taken to the loan review committee for consideration.

2. The loan committee will review the proposed scope of work and budget, as well as the application and supplemental documents, and make a decision as to program eligibility, appropriateness of the scope of work and budget and loan terms. If the application is approved, the loan committee will collectively determine the budget for the project (which shall include an appropriate amount of contingency funding, generally not to exceed 20% of the total project budget) as well as the terms of the loan as appropriate based on underwriting of the application.

3. A letter will be sent to the property owner within two (2) business days of the loan committee meeting informing them of the proposed scope of work, budget and loan terms or of denial for eligibility for the program. The property owner shall have five (5) business days to appeal any decision. Appeals will be heard by the loan committee. For approved projects, the Rehab Specialist will meet with the owner at the property to review the final scope of work and detailed project work write-up and specifications and obtain approval to proceed with the bidding process.

4. Once the work specifications are agreed upon, the Rehab Specialist shall solicit construction bids using the program’s Approved Contractors List; if the owner would like a contractor that is not on the list to be part of the bidding process, the contractor shall request to be added to the approved contractor list and provide evidence of program requirements and shall be approved to be eligible before bidding on the job. Contractors shall be notified by letter to submit bids by the deadline in the bid package in order to be considered for the job. Contractors must attend a scheduled walk-through of the property and meet the owner to be eligible to bid on the job. Contractors are ineligible to
perform work on their own home as part of the program. On behalf of the owner, the Rehab Specialist obtains a minimum of three (3) proposals from contractors for all work.

5. The Housing Rehab Specialist recommends a contractor to the property owner based on the lowest responsible and responsive bid. The property owner has ultimate responsibility for selection of the contractor from among the bids that are deemed responsible and responsive by the Rehab Specialist. If the lowest responsible bid is not accepted, the property owner shall provide justification for using another contractor.

6. Contracts are drafted for the rehabilitation work in addition to the owner’s mortgage, note and project agreement. A loan closing meeting will be scheduled where the owner and contractors will meet to review all rehabilitation related documents and contracts and execute signatures by all parties. Expectations of rehabilitation, including timeliness of work, payment and lien release procedures and quality of work will be discussed.

Upon execution of all contract documents, the owner will also close on their loan by signing the mortgage, note and project agreement. Once all documents have been signed by the City, each party to the contract will receive copies. One copy of each document will also be placed in the project file.

7. If there is a contract of $100,000 or more, a contractor shall provide a performance bond prior to the start of construction. A copy of the bond, as well as the sworn statement, shall be placed in the project file.

8. City project management during the rehabilitation process will include progress inspections in addition to required inspections by the Building & Inspection Services Division for plumbing, electrical, mechanical and structural work, if applicable. Any deviations from the rehabilitation contract or issues with the workmanship of the contractor shall be handled as soon as the Rehab Specialist is made aware. Resolutions may include written notice of failure to perform requesting the contractor to complete the work in a manner that is to the satisfaction of the owner and in accordance with the contract, or in extreme circumstances, removal of the contractor and rebidding the job for another contractor to complete. The owner should make the Rehab Specialist aware of any concerns immediately and the Rehab Specialist shall take any unresolved issues to the loan review committee to consider remediation actions.

9. Any change to the contract shall be made in the form of a change order; no changes shall be made by physically writing on the original contract or by verbal authorization. Change orders under $500.00 which are modifications to the original scope of work due to unforeseen circumstances or unavailable materials may be made without loan committee consideration, but must be made in writing and signed by the owner, contractor and Rehab Specialist.

Change orders over $500.00 or that adds a new item to the scope of work (for reasons identified above, not to add additional items at the discretion of the owner) shall be taken to the loan committee for consideration. If said change order is approved, it shall be made in writing and signed by owner, contractor, Rehab Specialist and Building & Inspection Services Division Manager.

10. Payments shall be made to the contractor in amounts no less than 33% of the contract amount, unless it is the sole and final payment of the contract. Payments shall be made to contractors only
after receipt of original lien waivers, sworn statements, pay-out orders, inspection tickets, contractor affidavits and, when necessary, paid invoices are provided to the City. For projects with eight or more units, certified timesheets must be submitted with any payment request. Additionally, payments will only be processed when the property owner has signed a payment authorization form confirming their satisfaction with the work completed as identified in the invoice. If the property owner refuses to sign the payment authorization, the loan committee may make decisions as to the appropriateness of payment to the contract; invoices deemed appropriate for payment will be made and will be debited from the owner’s loan balance. This will be conveyed to the owner in writing.

If all of the work has been completed satisfactorily, the contractor shall submit a final pay-out order affidavit, and all necessary releases of liens and warranties shall be collected for distribution to the property owner. For work not satisfactorily completed, the City shall issue a “punch-list” (statement of incorrect or incomplete items) to the contractor. The items shall have to be completed within a specified time period, as stated on the punch-list. Once the “punch-list” items are completed and approved the Housing Rehab Specialist the pay-out shall be processed. Final payments shall follow the same procedures as listed above.

11. Upon completion of all rehabilitation work, a final lead clearance shall be ordered. Upon obtaining lead clearance certification, the rehabilitation project is considered complete. Unspent funds shall be applied to the loan amount and final principal balance determined. The owner will receive a loan completion statement informing them of their repayment obligations and loan terms, including final principal balance of the loan.

12. All contractors are required to provide a one-year warranty from final contractor payment date on all work performed on rehabilitation activities. The owner is responsible to contact the contractor for any warranty-related problems. Should a dispute between the contractor and owner arise during the contractor’s one-year warranty period, every attempt shall be made by those parties to reach an agreement. There is no obligation or liability of the Community Development Department in such circumstances; however, Community Development staff may enter into the negotiations to facilitate an agreement.

CONTRACTOR ELIGIBILITY & DEBARMENT

All contractors shall be pre-approved by the City of Evanston as eligible to participate in the Rehabilitation Program. In order to be eligible, a contractor must have any required trade licenses, not have any judgments or liens against them, have current proof of insurance and must be in good standing with the City of Evanston. They must also have appropriate lead hazard training, certification and insurance for any lead hazard stabilization, interim controls or abatement requirements.

Contractors and subcontractors listed on the Federal System Award Management website (www.sam.gov) as debarred or excluded may not be used by the Housing Rehabilitation Program. Additionally, any contractor on the City’s local debarred contractor list may not be used.

If the any contractor has consistently exhibited poor workmanship, unethical behavior, or refuses to comply with the requests of the City, or if the contractor falsifies information, files for bankruptcy or if the City has reason to doubt his/her solvency, has insufficient insurance, fails to honor warranty work or has failed to complete or pursue diligently this or any other rehabilitation projects, the contractor...
shall be barred from any further rehabilitation work associated with the Housing Rehabilitation Program. The contractor shall also be removed from any eligible Contractor’s List, and may, at City of Evanston discretion, be removed from his current project. In that event, any and all financial obligations of the City to the contractor shall be at an end as of the date of termination. The local Contractor Debarment shall be in effect for two (2) years, after which time, the contractor may re-apply to be eligible for the program.

DEFINITIONS

After-Rehabilitation Value:
An estimate of the post rehabilitation market value of a property. This value is calculated by adding 50% of the proposed rehabilitation costs to the as-is appraised.

Amortization:
The gradual extinguishment of a debt (including interest, if any) by equal monthly payments.

As-Is Appraised Value:
An estimate of the market value of a property in its existing condition as determined by an appraiser or, in the absence of the need for a professional appraisal, an estimation of value by Housing Rehabilitation staff.

Assets:
An account or tangible item, which has a cash value or can be converted to cash. These include, but are not limited to, cash, stocks, bonds, CDs, checking accounts, savings accounts, retirement account, etc.

Code Violations:
Violations of the current ICC International Property Maintenance Code as adopted and amended by the City of Evanston, other current applicable City building codes and Housing and Urban Development (HUD) standards.

Deferred (Title Transfer) Loans:
Deferred loans are loans made at zero (0%) percent interest without monthly payments. The property serves as collateral in the form of a mortgage. When the property is sold or title is otherwise transferred, or in the event of the death of the mortgagee, the deferred loan shall be paid in full.

Gross Monthly Income:
The Housing Rehabilitation Program uses HUD’s Part 5 definition of income to determine eligibility to participate in the program and receive assistance. Household income includes the incomes of all adults living in the property, regardless of familial relationships. Gross monthly income shall include, but is not limited to:

- The gross earnings, which include, salary, overtime pay, commissions, fees, tips, and bonuses
- Interest and/or dividends.
- Passbook value of equity in the subject property owned by the applicant.
- Net income from business or net rental income.
- Social security, annuities, pensions, retirement funds, etc.
- Unemployment benefits, Workers compensation, etc.
- Alimony, child support, welfare payments.

**Housing Expenses:**
Payments for principal and interest on loans secured by lien on the property, mortgage insurance premiums, hazard insurance premiums, real estate taxes, special assessments, homeowner assessments, and other relevant housing expenses.

**Incipient Code Violations:**
An element of the structure which is not in violation of the housing code but which appears to be in a condition which will deteriorate into an actual code violation in the near future.

**Investor-Owned:**
A property that is owned by an investor, or group of investors, for which the majority of the property is rental units not occupied by one or more of the owners.

**Mortgage:**
A duly-recorded encumbrance upon a property.

**Owner-Occupant:**
A person who occupies and will continue to occupy property of which he/she is the legal owner.

**Rehabilitation:**
The process of reconstructing a usable structure, using modern techniques and materials, which overcomes deterioration and code violations and provides a satisfactorily improved physical condition.

**Residential Property:**
A property used for residential purposes.

**Standard Dwelling Unit:**
A dwelling unit which meets existing minimum housing code standards for habitation. Specifically, a dwelling unit in compliance with the current ICC International Property Maintenance Code, as adopted and amended, and HUD Minimum Property Standards.

**Substandard Dwelling Unit:**
A dwelling unit that does not meet the criteria for a standard dwelling unit. A substandard dwelling unit can be classified as either: 1) Deteriorated unit, i.e., one that is substandard but is structurally sound or able to be made structurally sound and can be brought up to standard condition with rehabilitation; or 2) Dilapidated unit, i.e., a substandard unit that has deteriorated to the extent that it is unsafe, unsanitary, or dangerous to human life, and rehabilitation is not feasible.
To: Honorable Mayor and Members of City Council

From: Johanna Leonard, Community Development Director
      Sarah Flax, Housing and Grants Administrator
      Savannah Clement, Housing Policy and Planning Analyst

Subject: Rooming Houses Research

Date: January 24, 2018

Recommended Action:
At its meeting on January 8, 2018, the Planning and Development Committee requested a white paper on rooming houses. Staff seeks direction on next steps.

Funding Source: N/A

Livability Benefits:
Built Environment: Support housing affordability; provide compact and complete streets and neighborhoods; and

Equity & Empowerment: Ensure equitable access to community benefits, and support poverty prevention and alleviation.

Discussion:
During the January 8, 2018 Planning and Development Committee discussion on the City’s three-unrelated occupancy rule, Committee members requested more information on rooming houses in Evanston and nationwide. Presently, there are a total of 76 buildings registered as rooming houses in Evanston. However, most of the buildings are owned by Northwestern University and operate as dorms or fraternity/sorority houses. Evanston hotels are also registered as rooming houses. An attached map indicates the location of the current registered rooming houses throughout Evanston. Hotels such as the Homestead and Margarita European Inn offer extended stay options but do not consider themselves to be rooming houses. Many of the smaller, single family home structures offer rooms for rent to Northwestern University students.

Current zoning code stipulates that rooming houses must receive a special use zoning approval in all multi-family residential districts, and are not at all permissible in any other district. However, many of the rooming houses that currently exist do not have special use status since they were in existence prior to the adoption of the current zoning code
and are considered legal nonconforming uses. Many of these structures look like single family homes, but rent by the room with shared kitchens and common areas.

**Background:**

Evanston’s current rooming houses are regulated by the following language in the City Code:

**5-2-6. - ROOMING HOUSES; REQUIREMENTS AND STANDARDS.**

Every provision of this Chapter which applies to rooming houses shall also apply to hotels, except to the extent that any such provision may be found in conflict with the laws of the State.

(A) At least one flush water closet, lavatory basin and bathtub or shower, properly connected to a water and sewer system approved by the Director of Community Development and in good working condition, shall be supplied for each six (6) persons or fraction thereof residing within a rooming house including members of the operator's family whenever they share the use of such facilities, provided that in a rooming house where rooms are let only to males, flush urinals may be substituted for not more than one-half (½) of the required number of water closets. All such facilities shall be so located within the dwelling as to be reasonably accessible to all persons sharing such facilities from a common hall or passageway. Every lavatory basin and bathtub or shower shall be supplied with hot water at all times. No such facilities shall be located in a basement except by written approval of the Director of Community Development.

(B) The operator of every rooming house shall change supplied bed linens and towels therein at least once each week, and prior to the letting of any room to any new occupant. The operator shall be responsible for the maintenance of all supplied bedding in a clean and sanitary manner.

(C) Every room occupied for sleeping purposes shall contain the following floor space:

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<th>One person .....</th>
<th>70 square feet</th>
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<tr>
<td>More than one person .....</td>
<td>50 square feet per occupant</td>
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(D) Every rooming unit shall have safe, unobstructed means of egress leading to safe and open space at ground level as required by the laws of the State and the City.

(E) The operator of every rooming house shall be responsible for the safe and sanitary maintenance of all walls, floors and ceilings and for the maintenance of a sanitary condition in every other part of the rooming house. The operator shall be further responsible for the safe and sanitary maintenance of the entire premises where the entire structure or building is leased or occupied by the operator.

**History of Rooming Houses:**

In the early 20th century, rooming houses offered affordable housing for America’s urban working class. However, with rising affluence over the course of the century, housing options such as rooming and boarding houses were mostly regulated out of existence.
Most American cities today control the low end of the housing market, by setting a minimum size requirement around 400 square feet for a studio. As a result, this frequently eliminates housing options for low income individuals in high cost markets. Additionally, building codes throughout the country established occupancy limits, capping the number of unrelated people who can room together under the same roof.

In his 2013 ebook, *Unlocking Home: Three Keys to Affordable Communities*, Alan Durning argues that limitations on housing options at the bottom end of the market results in creating an increase in demand, thereby increasing rents on all other portions of the housing market. Durning outlines three key ways municipalities can create more inexpensive housing options in walkable neighborhoods, at little or no cost to the public:

1. Legalize rooming houses;
2. Decriminalize roommates; and
3. Welcome accessory dwelling units.

In Seattle, WA, developers have built what are being called, “apodments.” The units in these buildings are more akin to a dorm room, with some units as small as 120 square feet. Each unit comes equipped with a bedroom, small bathroom and a microwave, and cost about half the price of a studio apartment. Alan Durning states that the old rooming houses served both upwardly mobile young people and middle-aged working-class singles. He asserts that new rooming houses could do this, as well.

Attachments:
A map of the city’s rooming houses
To: Honorable Mayor and Members of the City Council

From: Erika Storlie, Assistant City Manager/Acting Community Development Director
       Michelle Masoncup, Interim Corporation Counsel
       Sarah Flax, Housing and Grants Administrator
       Savannah Clement, Housing Policy and Planning Analyst

Subject: Resolution 26-R-18, Authorizing the City Manager to Execute an Intergovernmental Agreement with Evanston Township High School District No. 202.

Date: April 25, 2018

Recommended Action:
Staff recommends consideration of Resolution 26-R-18 authorizing the City Manager to execute an intergovernmental agreement (IGA) with the Board of Education of the Evanston Township High School District No. 202. The IGA recognizes the mutual benefits to the City, ETHS and the community of the educational and housing program commonly known as Geometry In Construction (GIC) and memorializes the expectations and commitments of both parties to maintain the program going forward.

Funding Source: NA

Livability Benefits:
Built Environment: Support housing affordability; provide compact and complete streets and neighborhoods; and

Equity & Empowerment: Ensure equitable access to community benefits, and support poverty prevention and alleviation.

Discussion:
The Geometry in Construction Affordable Housing program is a partnership that provides significant benefit to our community cost effectively. GIC is one of the most popular classes at ETHS, with 99 students registered for the 2017-2018 school year. The program is currently in its fifth year and the homes developed through the program address an important need for ownership housing affordable to moderate and middle income families, defined as households with incomes ≤120% of the area median. ETHS and City employees are prioritized to purchase from the GIC program. Community Partners for Affordable Housing (CPAH) manages the sale of the ETHS homes to
eligible buyers. Long-term affordability is maintained using 99-year renewable ground leases or Land Use Restriction Agreements (LURA) and resale restrictions to households with incomes ≤120% of the area median.

Property addresses of the first five homes developed through GIC are:
- 1941 Jackson Avenue, a one-story home from GIC’s 2013-14 school year
- 1820 Dodge Avenue, a two-story home from GIC’s 2014-2015 school year
- 2142 Dewey Avenue, a two-story home from GIC’s 2015-2016 school year
- 1509 Emerson Street, a two-story home from GIC’s 2016-2017 school year
- 2005 Grey Avenue, a two-story home currently under construction in GIC’s 2017-2018 school year

The first three GIC homes are completed and have been sold to income eligible households. The 1509 Emerson Street home was moved to its permanent site on June 26, 2017. Plumbing, electrical, HVAC, drywall, etc. work by licensed contractors is underway; completion is anticipated by summer 2018. An ETHS employee has already expressed interest in purchasing the home. The 2005 Grey Avenue home will be moved from ETHS to its permanent site in June 2018.

The GIC program effectively leverages other sources of funding for affordable housing, as preconstruction and construction costs, including architectural fees, materials and on-site labor (electrical, plumbing, HVAC, drywall, etc.) are borne by ETHS. The City waives the building and right of way permit fees. The City has provided four of the lots in the first five years of the program: three were acquired as foreclosed housing with NSP2 but the homes were demolished because their severely deteriorated condition made rehab infeasible. The 2005 Grey Avenue site was purchased by the City with funding from the Affordable Housing Fund. Staff is currently pursuing the acquisition of four properties as the sites for future GIC homes through judicial deeds or the Cook County No Cash Bid Program. Three of the properties are vacant lots and the fourth has a severely deteriorated single family home that is infeasible to rehab.

Attachments:
- Resolution 26-R-18 authorizing the City Manager to execute an intergovernmental agreement with Evanston Township High School District No. 202
- Draft Intergovernmental Agreement Between the City of Evanston and Evanston Township High School District No. 202 regarding the Affordable Housing Program
A RESOLUTION

Authorizing the City Manager to Execute an Intergovernmental Agreement with the Board of Education of Evanston Township High School District No. 202

NOW BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:

SECTION 1: That the City Manager is hereby authorized and directed to sign, and the City Clerk is hereby directed to attest on behalf of the City, the Intergovernmental Agreement with the Evanston Township High School District No. 202 (the “Agreement”), attached hereto as Exhibit 1 and incorporated herein by reference.

SECTION 2: That the City Manager is hereby authorized and directed to negotiate any additional conditions of the Agreement that deems to be in the best interests of the City.

SECTION 3: This resolution shall be in full force and effect from and after its passage and approval, in the manner provided by law.

_______________________________
Stephen H. Hagerty, Mayor

Attest: Devon Reid, City Clerk

Approved as to form: Michelle L. Masoncup, Interim Corporation Counsel

Adopted: _____________________, 2018
EXHIBIT 1

INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF EVANSTON AND
THE BOARD OF EDUCATION OF THE EVANSTON TOWNSHIP HIGH SCHOOL
DISTRICT NO. 202
INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF EVANSTON AND EVANSTON TOWNSHIP HIGH SCHOOL DISTRICT NO. 202 REGARDING THE AFFORDABLE HOUSING PROGRAM

This INTERGOVERNMENTAL AGREEMENT ("Agreement") is made by and between the City of Evanston, an Illinois municipal corporation and home rule unit as described in the Illinois Constitution (the "City”), and the Board of Education of Evanston Township High School District No. 202, Cook County, Illinois ("ETHS").

Section 1. Background.

A. The City identifies and acquires real property located in the City by purchase or other means to support the City’s affordable housing goals. Often these properties are vacant or the existing structures require demolition.

B. ETHS offers its students a class known as ‘Geometry in Construction’ which seeks to explore alternative channels and methods for educating students outside of a traditional classroom setting on various subject matters such as design, mathematics, technical, and construction related subjects.

C. The Geometry in Construction class constructs a residence by the end of each school year, which is moved to a residential lot and inhabited.

D. Since 2013, the City and ETHS have collaborated with an affordable housing developer, Community Partners for Affordable Housing ("CPAH") to locate the Geometry in Construction homes on lots owned by the City or ETHS and in turn make the property available for purchase by a qualified applicant for affordable housing.

E. The City and ETHS have determined that the cooperation of the parties to date regarding the affordable housing program benefits both public bodies and the community. It is in their collective best interest to enter into this Agreement to memorialize the expectations and commitments of the parties and to maintain the viability of this educational and affordable housing program.

Section 2. General Commitments.

A. Term. This Agreement shall be in effect from the effective date, as set forth in Section 5.I to until June 30, 2023, and shall automatically renew for subsequent five-year terms; provided that the Agreement will not renew if a party provides written notice by December 31 of the year prior to renewal of the terminating party’s intention to not renew the Agreement. Further, either party may terminate this Agreement at any time without cause by providing the non-terminating party with six months written notice of the terminating party’s decision to terminate the Agreement. If such notice, however, is delivered after ETHS has commenced construction on a Project Home, as defined in Section 3.A, the Agreement shall not terminate until the Project Home is installed on the Subject Property, as defined in Section 3.A.
B. **Administration of Agreement.** The City Manager, or the City Manager’s designee, shall administer this Agreement on behalf of the City. The ETHS Superintendent, or Superintendent’s designee, shall administer this Agreement on behalf of ETHS.

C. **Meetings.** The City Manager and the ETHS Superintendent, or their designees, shall meet at least two times per year to discuss and review the affordable housing program, including the City’s acquisition efforts and the status of construction.

D. **Notification of Available Property.** By March 1 of each year of this Agreement, or by such later date if agreed to in writing by the parties, the City will use best efforts to identify a residential property for the next Project Home site to enable the School District to construct a residence for such property in the immediately following school year. If the Parties decide that a property is not available by March 1, ETHS shall have no obligation to build a residence during the immediately following school year. ETHS will confirm, in its sole discretion, with the City prior to acquisition of the property whether the property is an appropriate site for the residence to be constructed in the upcoming school year. The City shall grant ETHS access to the property to conduct due diligence activities, including environmental assessments, that ETHS deems necessary. ETHS must notify the City and pay for any due diligence, including environmental assessment, that it seeks to be performed prior to the City’s acquisition of the site.

**Section 3. ETHS Role and Responsibilities.**

A. **ETHS to Construct Project Home.** After the City acquires a property (the “Subject Property”), students and staff members shall construct a residence that is approximately 1,000 – 1,500 square feet in size (the “Project Home”). All aspects of the construction will be coordinated and supervised by ETHS, including the building foundation, and installation of all improvements and fixtures in compliance with all applicable codes and regulations. ETHS shall coordinate and perform all aspects of the construction in an efficient, competent, and safe manner in compliance with all federal, state, and local laws and regulations. The Project Home’s primary structure will be constructed on ETHS property (1600 Dodge Avenue, Evanston, Illinois).

B. **Relocation of Project Home and Duration of Construction.** After the Project Home has been constructed, ETHS will arrange to move the Project Home to an appropriate foundation located on the Subject Property. The foundation, mechanical systems, including electrical, plumbing and HVAC, as well as interior and exterior finishing will be completed by subcontractors hired by ETHS. Subject to Force Majeure, ETHS shall use due diligence and commercially reasonable efforts to ensure completion and receipt of a Temporary Certificate of Occupancy within 18 months after commencing construction.

C. **Permits.** ETHS shall be responsible for obtaining all building and occupancy permits for the Project Home to enable it to be occupied on the Subject Property.

D. **ETHS Costs.** All costs for the construction of the Project Home and its placement on the Subject Property will be borne by ETHS, including but not limited to construction materials, labor costs, and removal expenses from ETHS Property to the Subject Property and
including landscaping and site improvements on the Subject Property; provided that the City shall waive all building permit fees, right of way fees, but will not waive water/sewer connection fees or other City fees related to the construction and transfer of the Project Home to a third-party.

**Section 4. City Role and Responsibilities.**

A. **Acquisition of Property.** Prior to March 1 of each year of this Agreement, the City, without financial contribution from ETHS, will obtain vacant property of sufficient size and zoned appropriately to allow for the location of a residence. The structure constructed may be a single-family home or a duplex.

B. **City Inspection.** City staff members will inspect the Project Home during construction and the finished Project Home prior to its removal from the ETHS property to ensure compliance with all applicable codes and regulations.

C. **Affordability Control.** The City shall work with an affordable housing organization to ensure that the Subject Property is affordable in perpetuity by placing the property in a land trust or through deed restrictions. Such affordable housing organization shall ensure that the Subject Property is sold to a buyer whose household income does not exceed 120% of the area median income at the time of purchase and who will own the property as their primary residence. Area Median Income means the maximum income limit set by the Chicago-Joliet-Naperville, Illinois HUD Metro FMR Area, which is based on household size as determined annually by the United States Department of Housing and Urban Development. First preference will be given to buyers that are employees of ETHS or the City of Evanston; second preference will be given to eligible households on the centralized wait list for affordable housing in Evanston managed by CPAH. When the property is re-sold, priority will be given to eligible households on the centralized waitlist whose incomes shall not exceed 120% of the area median income at the time of purchase and the purchase price shall be affordable to a household at that income level.

**Section 5. Miscellaneous.**

A. **Notices.** Any notice, request, demand, or other communication provided for by this Agreement must be in writing and will be deemed to have been duly received upon (a) actual receipt if personally delivered and the sender received written confirmation of personal delivery, (b) receipt as indicated by the written or electronic verification of delivery when delivered by overnight courier, or (c) three calendar days after the sender deposits the notice with the U.S. Post Office when sent by certified or registered mail, return receipt requested. Notice must be sent to the addresses set forth below, or to such other address as either party may specify in writing.

*If to City:*

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<td>Wally Bobkiewicz</td>
<td>Sarah Flax</td>
<td>Michelle Masoncup</td>
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<td>City Manager</td>
<td>Housing &amp; Grants</td>
<td>I City Attorney</td>
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B. Binding Agreement. This Agreement shall be binding on and shall inure to the benefit of the Parties, their respective successors, and assigns.

C. Amendments and Modifications. No amendment or modification to this Agreement shall be effective until it is reduced to writing and approved and executed by the Parties to this Agreement.

D. Governing Laws. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Illinois without regard to conflict of law principles. Jurisdiction and venue for all disputes hereunder shall be the Circuit Court located in Cook County, Illinois, or the federal district court for the Northern District of Illinois.

E. Authority to Execute. The Parties warrant and represent that the persons executing this Agreement on their behalf have been properly authorized to do so.

F. No Third-Party Beneficiaries. No claim as a third-party beneficiary under this Agreement by any person, firm, or corporation shall be made, or be valid, against the Parties.

G. Entire Agreement. It is understood and agreed that all understandings and agreements between the Parties are merged in this Agreement and no Party is relying upon any statement or representation not embodied in this Agreement. Each Party expressly acknowledges that, except as expressly provided in this Agreement, the other Parties and the agents and representatives of the other Parties have not made, and the other Parties are not liable for or bound in any manner by, any express or implied warranties, guaranties, promises, statements, inducements, representations, or information pertaining to the transaction contemplated hereby.

H. Assignment. This Agreement cannot be assigned by any Party without the written consent of the other Parties and should any assignment be made by one Party without the written consent of the other Parties, such assignment will be null and void.

L. Counterpart Signatures. For the convenience of the Parties, this Agreement may be executed in similar counterparts, each counterpart shall be deemed an original instrument, and such counterparts taken together shall constitute one and the same.
I. Effective Date. The Agreement shall be deemed dated and become effective on the date the last of the Parties signs as set forth below the signature of their duly authorized representatives.

(Signature page follows)
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as set forth below.

<table>
<thead>
<tr>
<th>CITY OF EVANSTON</th>
<th>BOARD OF EDUCATION OF EVANSTON TOWNSHIP HIGH SCHOOL DISTRICT NO. 202</th>
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<tr>
<td>By: ________________________________</td>
<td>By: ________________________________</td>
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<tr>
<td>City Manager</td>
<td>Superintendent</td>
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<td>Date: ________________</td>
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To: Honorable Mayor and Members of the City Council

From: Erika Storlie, Assistant City Manager/Acting Community Development Director
Scott Mangum, Planning and Zoning Administrator
Sarah Flax, Housing and Grants Administrator
Savannah Clement, Housing Policy and Planning Analyst

Subject: Expanding Accessory Dwelling Units to Address Housing Needs in Evanston

Date: April 23, 2018

Recommended Action:
Staff requests direction from City council regarding follow-up steps relating to Accessory Dwelling Units (ADUs) as a strategy to expand housing choices and affordable housing in Evanston. At its meeting on January 29, City Council directed staff to revise current zoning to allow rental of existing coach houses as a first step. An ordinance to permit this was introduced at the April 23, 2018 meeting. Staff proposes undertaking a comprehensive review of how to expand ADUs to further address Evanston’s housing needs. Involving the Age Friendly Taskforce in this evaluation, as well as in community outreach and education, would provide valuable perspective regarding housing needs of seniors, including smaller accessible housing units, the ability to age in place, and avoiding displacement due to rising housing costs.

Funding Source: NA

Livability Benefits:
Built Environment: Support housing affordability; provide compact and complete streets and neighborhoods; and

Equity & Empowerment: Ensure equitable access to community benefits, and support poverty prevention and alleviation.

Discussion:
ADUs, independent housing units created within single family homes or on their lots are increasingly being encouraged in communities throughout the country to address changing housing needs:
- Average family/household size is shrinking while the number of total households is growing. Evanston’s total population of 74,895 is down by about 6% from its peak of 79,808 in 1970. Much of Evanston’s housing stock was built to accommodate larger family sizes common at that time and earlier.
- Increasing number of older adults living in their family homes need additional income to pay mortgage, taxes and maintenance costs. They may also want a family member or caregiver living nearby while maintaining their privacy.
- Integrating affordable housing in high cost, primarily single-family neighborhoods, and increasing density without requiring construction of new infrastructure or changing the character of neighborhoods.

**Accessory Dwelling Units, Model State Act and Local Ordinance** was developed by the American Planning Association (APA) at the request of the Public Policy Institute, part of the Research Group at AARP to assist citizens, planners and government officials in evaluating potential changes to state laws and local ordinances to encourage wider availability of ADUs because of their potential to benefit older adults.

Many of the provisions included in this document have been implemented in different communities and been proven successful. Although developed at the request of AARP, the model legislation is designed to assist in the development of ordinances that expand availability of ADUs to serve the needs of households of all ages by increasing housing choices and affordable housing for their residents. Although designed to work with State legislation similar to California, which passed a law in 1982 that pushed local governments to adopt ADU regulations, the Model Local Ordinance can be used independently and provides useful information on different types of ADUs (attached and detached), impact of ADUs in different zoning districts, considerations for permitting, etc. In addition, AARP will be releasing a new guidebook on ADUs and intergenerational housing in the near future that may provide further guidance.

--------------------------

**Attachments:**

Accessory Dwelling Units, Model State Act and Local Ordinance
Accessory Dwelling Units
Model State Act and Local Ordinance

A Publication of the
Public Policy Institute

Rodney L. Cobb and Scott Dvorak
American Planning Association
Accessory Dwelling Units:
Model State Act and Local Ordinance

by
Rodney L. Cobb, Staff Attorney

and
Scott Dvorak, Research Associate

American Planning Association

George Gaberlavage, PPI Project Manager

The Public Policy Institute, formed in 1985, is part of the Research Group at AARP. One of the missions of the Institute is to foster research and analysis on public policy issues of interest to older Americans. This publication represents part of that effort.

The views expressed herein are for information, debate, and discussion and do not necessarily represent the formal policies of AARP.

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AARP 601 E Street, NW, Washington, DC 20049
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FOREWORD

Accessory dwelling units (ADUs) are independent housing units created within single-family homes or on their lots. These units can be a valuable addition to a community’s housing stock. ADUs have the potential to assist older homeowners in maintaining their independence by providing additional income to offset property taxes and the costs of home maintenance and repair. Other potential benefits include companionship, the opportunity to negotiate for home maintenance or personal services in return for reduced rents, and increased personal security. ADUs also offer a cost-effective means of increasing the supply of affordable rental housing in a community without changing the character of a neighborhood or requiring construction of new infrastructure such as roads, sewers, and schools. Zoning ordinances that prohibit ADUs or make it extremely difficult for homeowners to create them are the principal obstacle to the wider availability of this housing option.

The Public Policy Institute of AARP asked the American Planning Association (APA) to develop model legislation (a state statute and a local ordinance) that would assist AARP volunteer leaders and other interested citizens, planners, and government officials in evaluating potential changes to state laws and local zoning ordinances to encourage the wider availability of ADUs. The APA is the nation’s leading source of information on planning and zoning practices. Rodney L. Cobb, APA’s Staff Attorney and Editor of Land Use Law and Zoning Digest, was the principal investigator for this project. He was assisted by Scott Dvorak, Research Associate, and other members of APA’s research department. The authors have drawn heavily from the experiences of states and localities in developing the model legislation. As a result, many of the provisions incorporated in the model legislation have been tested in different communities and proven successful in actual practice.

The model legislation is intended to serve as a guide for communities that want to make the benefits of ADUs available to households of all ages, not just older persons. It has been drafted to meet the needs of a wide variety of communities. Optional provisions, including those that are attractive even to very cautious communities, are incorporated in the model local zoning ordinance to provide as many choices as possible for jurisdictions to consider. The materials presented here indicate that ADUs can be a cost-effective solution for meeting myriad housing needs without engendering the negative impacts sometimes associated with other forms of affordable housing development. It is our hope that the model legislation will prove to be a valuable reference for communities seeking to increase the housing choices available to their residents.

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EXECUTIVE SUMMARY

Background

Accessory dwelling units (ADUs) are independent housing units created within single-family homes or on their lots. They have the potential to assist older homeowners in maintaining their independence by providing additional income to offset property taxes and maintenance and repair costs. Other potential benefits to older homeowners include companionship, the opportunity to negotiate for home maintenance or personal services in return for reduced rents, and increased personal security. ADUs also offer a cost-effective means of increasing the supply of affordable rental housing in a community without changing the character of a neighborhood or requiring construction of new infrastructure (roads, sewers, schools, etc.) to serve development. Zoning ordinances that prohibit ADUs or make it extremely difficult for homeowners to create them are the principal obstacles to the wider availability of this housing option.

Purpose

The purpose of this report is to present model legislation for both states and local jurisdictions to use to develop their own regulations on creating ADUs. Drawing on the experience of communities that have incorporated ADUs into their zoning practices, the report reviews and evaluates potential options for changes in state laws and local zoning ordinances to increase the availability of ADUs.

Methodology

A search was conducted to collect and review existing literature on ADUs, including all state ADU legislation, local ADU ordinances, and ADU court cases. In addition, a mailing went out to some 1,600 planning agencies and consultants who subscribe to the American Planning Association’s Zoning News, requesting copies of local ADU ordinances and information on ADU policies and regulations. (These activities took place in 1996 and 1997, with an additional review conducted in 1999 of ADU state legislation and court cases.) The researchers then analyzed the 50 local ADU ordinances and other materials collected in response to the mailing. A series of follow-up interviews with state and local officials and ADU experts were then conducted to develop further information on the key ADU issues raised by the analysis. To obtain a broad national perspective, these interviews were conducted with officials in a variety of regions and states. The Model State Accessory Dwelling Unit Act and the Model Accessory Dwelling Unit Ordinance were then drafted. Several state and local officials interviewed earlier subsequently reviewed the draft model legislation to assess its utility and feasibility in light of actual administrative practice and community experience.
Principal Findings

Regulatory barriers can be most effectively removed by adoption of a state ADU act and by encouraging localities to adopt ADU ordinances. Many communities that initially allowed limited ADU development found the experience positive enough to broaden the scope for ADUs.

Conclusion

Reductions in the size of American households, along with changes in their composition and economic circumstances, warrant consideration of zoning policies that encourage the more efficient use of the nation’s infrastructure and supply of single-family homes to meet current and future housing needs. States and localities are also seeking ways to assure the independence and security of older residents with a minimum of public investment. ADUs provide a potential resource for addressing these issues by making more effective use of existing housing stock and providing older homeowners with a potential source of income to maintain their independence.
INTRODUCTION

Across the United States, communities are struggling to meet the nation’s growing and changing housing needs. Three factors — changing demographics, changing economics, and changing community goals — have converged to make innovative solutions to housing issues a policy necessity.

- **Changing demographics.**
  American families are growing in number but shrinking in size. People are living longer, more people are staying single longer, and married couples are having fewer children. The housing stock has not kept up with this change in family demographics. In some communities, the need for housing, especially for people with special physical and financial needs, has become acute. Underused space in single-family houses is one of the nation’s largest untapped housing resources.

- **Changing economics.**
  Not only is family size changing, but so are the economic circumstances of families. As the population ages, many older people find themselves living in their family homes alone. They may need additional income to pay for health care services, cover home maintenance costs, or make mortgage payments. Others may want a family member or a caretaker to live nearby, while maintaining privacy for both parties.

- **Changing community goals.**
  Many communities have recognized the need to stabilize or increase population densities in certain areas in order to maintain the existing public infrastructure, services, and tax base. In addition, many communities have sought to concentrate population density in specific areas in order to encourage public transit service and reduce urban sprawl. These communities do not, however, necessarily want their single-family neighborhoods to become structurally more dense.

One approach to meeting these needs is to allow or even encourage the development of accessory dwelling units (ADUs). ADUs are constructed as either apartments or cottages, and the term “ADU” is used in this publication to include both types of accessory units. The relationship of the ADU to the single-family home, or “the principal dwelling unit,” determines the type of ADU. An accessory apartment is built within the principal dwelling unit, whereas an attached accessory cottage is physically connected to that dwelling unit. A detached accessory cottage is located on the same lot as the principal dwelling unit but is not physically connected.

ADUs offer the potential for assisting older homeowners and others in maintaining their independence while increasing the supply of affordable rental housing within a community. Income from an ADU can offset rising property taxes, maintenance and repair costs, and other housing expenses that are often a burden for older homeowners. ADUs can also make it easier for households with children to afford the housing they need. In some situations, an ADU may
provide enough additional income so that a family can afford to buy a house in a preferred neighborhood that is safer, has better schools, or is closer to work.

Currently, ADUs are not a widely available housing option in the United States. Local zoning ordinances that prohibit ADUs or make it difficult for homeowners to create them are the principal obstacle. Although the impacts on neighborhoods from developing ADUs are minimal compared to those of other types of affordable housing, residents are often concerned about ADUs’ compatibility with neighborhood character and design, the impact on parking, and the effects on property values and community services (see Sidebar A).

Yet, what today is called an accessory dwelling unit was once a rather typical housing arrangement. ADUs were relatively common before World War II. Many accessory units were created by middle-aged and older persons, often widows, seeking to take in roomers or boarders after their children moved out. Following the war, however, the explosive growth of the suburbs was guided by zoning ordinances that focused almost exclusively on the housing needs of the traditional nuclear family, and most communities prohibited ADUs.

Ironically, those same suburban homes were frequently constructed with unfinished space, so that homeowners could modify their living space as their needs changed. Many of these suburban homes have had additions and modifications — bedrooms, finished basements, and recreation rooms to accommodate growing families — over the past 50 years.

Current zoning ordinances, however, often maintain rigid prohibitions against ADUs. These ordinances now limit the expansion and modification options of homeowners and prevent communities from making effective use of their current housing stock to meet the changing needs of families. For older persons living in the suburbs today, the inability to continue to adapt their homes to suit their needs may mean they cannot “age in place.” Yet, consumer preference surveys conducted by AARP consistently indicate that 80 percent or more of older households would like to remain in their current homes.

In addition, a recent AARP housing preference survey of persons 50 and older indicated that over one-third of the respondents (36 percent) would consider modifying their home to include an ADU in the event they needed assistance as they grew older. The potential for construction of ADUs by older homeowners is significant. The latest American Housing Survey (1997) revealed that some 16.5 million older households (age 65 and older) own their homes, and single-family detached homes make up 88 percent of these units. This survey indicates that these homes could accommodate accessory units. Single-family detached dwellings among homeowners age 65 and older (including mobile homes) had a median area of 1,665 square feet.

In fact, though ADUs are illegal in many U.S. communities, some homeowners create them anyway. Since creating an accessory apartment does not require any changes to the outside of the dwelling, an illegal unit is not likely to draw the attention of local officials. Overall, ADUs are an important part of annual additions to the nation’s housing stock; it is estimated that between 65,000 and 300,000 such units are created each year (Howe 1990, 70).
Sidebar A.  Daly City, California

In 1979, Daly City officials, like many civic leaders in the San Francisco Bay area, were concerned about the lack of affordable housing. To help remedy the problem, city officials offered to acquire land and build a public housing project. After a hearing with 400 residents, many of them protesters, the project did not go forward. City officials were still searching for answers to the affordable housing problem when the California legislature passed a law in 1982 pushing local governments to adopt ADU regulations. In 1983, Daly City passed its own ADU ordinance, citing three reasons: to help meet housing needs, to conform to the state legislation, and to legalize illegal ADUs that posed health and safety hazards to residents.

Before launching its ADU program, Daly City officials were worried that too many ADUs might cause nuisances, parking problems, and demands too great for existing community services. The city established a number of requirements to meet these concerns. Because small lots dominate the city's neighborhoods, only accessory apartments, not detached units, were allowed in residential zones. Four parking spaces were required on premises with an ADU, with two being for the principal unit. These spaces, however, could be accommodated with tandem parking (one car in front of another in driveways) and could be located in any area of the yard. Daly City also limited the maximum size of an accessory apartment to 25 percent of the living area of the principal dwelling unit.

A further city requirement that owners occupy the premises has proven critical to preventing nuisances. Officials reasoned that with the ADU owners on the premises, many nuisances that tenants might otherwise create would not be tolerated. Although realtors have tried to repeal the owner-occupancy requirement, Daly City officials have made it clear that an owner's presence on premises with an ADU is a must.

A cornerstone of Daly City's ADU program is its Project Homesafe, which received an award from the California League of Cities as an innovative community development program. This project was initiated by the city in 1992 to rid neighborhoods of fire and structural risks posed by illegal ADUs that did not conform to building and electrical codes. Out of an estimated 5,000 illegal units, 1,055 have been legalized, meaning that many safety hazards have been eliminated.

In addition to legalizing existing ADUs, the city's efforts have led to the creation of 288 new legal units. Early in its ADU program, the city sowed the seeds of success in fostering new units by minimizing applicant fees and red tape. It charges only $100 for ADU application fees, which is even less than the fee required to add a bedroom to a house. To cut red tape, the city designed a process that takes about 20 minutes. An applicant describes the particulars of his proposal and may then obtain a preliminary approval. A hearing is not required. Permits are permanent, and conditions (like the owner-occupancy requirement) are recorded in the title to the property in order to notify subsequent owners of the conditions. The city also promotes new ADUs with a low-interest loan program for low-income owners who agree to install ADUs and to lease the units only to other low-income persons for a period of at least five years.

Other advantages of Daly City's ADU program are at the human level — in its social benefits. Many senior citizens who were empty nesters living on fixed incomes were able to create accessory apartments, live in them, and rent out the remainder of their homes to persons who often became part of their extended family. One homeowner with Alzheimer's was able to trade ADU quarters for medical services from an ADU tenant, a nurse, who was also delighted by the arrangement. The city's young citizens have gained from ADUs because Bay Area housing costs are quite high and one viable option for them is to rent an ADU. For some laid-off blue-collar residents, ADU rental income has actually allowed them to keep their homes.
The model legislation contained in this publication authorizes and provides guidelines for all forms of accessory units. The *model state act* provides the justification and authorization for ADUs and establishes rules that local officials must follow in adopting a local ADU ordinance. The *model local ordinance* offers provisions that local officials can include in their existing zoning ordinance to specify what a homeowner must do to obtain a permit to build an ADU. The model local ordinance is intended to be implemented in tandem with the model state act.

Resources searched or consulted to develop the model acts include all existing American state ADU legislation, model ADU ordinances, and ADU court cases. These sources are noted in parentheses in the text of the model legislation, and a complete reference list appears at the end of the document.

**The Model State Act on Accessory Dwelling Units**

The model state act sets the terms for what communities can and cannot do in regulating ADUs via local ordinances. It consists of five sections:

1. **General Provisions**
   Section 1 establishes as state policy the encouragement of ADUs in a manner that enhances residential neighborhoods. This section incorporates the act’s findings, purposes, and definitions of terms.

2. **Regulatory Authority**
   Section 2 authorizes localities to adopt ADU ordinances and specifies the powers they may exercise in regulating ADUs. This section authorizes local governments to allow ADUs in single-family or multi-family zoning districts; to require that either the ADU or the principal dwelling unit be owner-occupied; to impose standards with regard to parking, height, setback, lot coverage, architectural review, and other considerations; to define the application procedure for creating ADUs; and to set maximum and minimum sizes for attached and detached ADUs.

3. **Limiting Regulatory Authority**
   Section 3 prohibits localities from regulating ADUs in ways that violate the intent of the act. This section requires localities to justify bans on ADUs, exempts ADUs from growth-limitation measures, and establishes guidelines for parking requirements and fees that localities may impose.

4. **Default Provisions**
   Section 4 establishes procedures and standards for obtaining a permit to create an ADU if a locality does not adopt an ADU ordinance. This section prohibits localities that do not have an ordinance in place from imposing standards beyond those in the state law. Section 4 also requires publication of a quarterly notice indicating the availability of the public official responsible for processing ADU permits.
5. **State's Role in ADU Policies**

Section 5 presents the option of giving the state a stronger role in encouraging ADUs. This section authorizes state review and certification of local ADU ordinances, collection of data on local ADU efforts, preparations of a State Annual Report that would make recommendations to the legislature and governor for improving the ADU act, and creation of a State Advisory Board on ADU policies.

Italicized notes are included in the text to assist readers in understanding various provisions of the act. Some of the explanations refer to the related model ADU local ordinance, which is designed to complement the model state act.

**The Model Local Ordinance on Accessory Dwelling Units**

The model local ordinance is designed to implement the policies of the model state ADU act. It will also help guide communities in drafting their ADU ordinances, even if the state does not have legislation governing ADUs. It attempts to balance the need to specify clear, rigorous standards that protect the community with the need to avoid requirements so onerous that no one will apply to install an ADU.

The ADU ordinance specifies what a homeowner must do to get a permit to build or create an ADU. Typically, a community adopts an ADU ordinance as an amendment to its zoning ordinance. (Some local governments refer to zoning regulations as “codes” or “bylaws” or “unified development regulations.”)

The provisions of the model local ADU ordinance are organized into the following three categories:

1. **General Provisions**
   Section 1 establishes that the purpose of the ordinance is to promote and encourage the creation of legal ADUs in a manner that enhances residential neighborhoods. Section 2 provides a definition of terms.

2. **Permits: Eligibility and Application**
   Sections 3 through 6 inform homeowners of the steps they must take to obtain, keep valid, and renew an ADU permit. In addition, these sections specify what types of proposed ADUs (apartments, attached or detached cottages) are eligible for permits in various zoning districts.

3. **Standards**
   Sections 7 through 23 specify standards that a homeowner's application must meet before a permit to build or create an ADU is approved. These standards address the issues of lots (Sections 7 through 9), occupants (Sections 10 and 11), building standards (Sections 12 through 19), parking and traffic (Section 20), public health (Section 21), density limits (Section 22), and legalizing illegal and nonconforming ADUs (Section 23).
In the model local ordinance, the duplication of general zoning provisions is avoided because communities typically adopt an ADU ordinance as part of their general zoning ordinance or code. For this reason, the model local ADU ordinance does not contain provisions setting up zones or laying out application and enforcement procedures, and it does not provide routine definitions of basic zoning ordinances (such as definitions of “permit” or “lot”). It is assumed that the general zoning ordinance of which this model local ordinance will become part provides that all building construction is subject to the range of other typical community laws — e.g., building codes, fire codes, electrical codes, and housing codes.

The model local ADU ordinance presents options for dealing with key ADU issues. These options acknowledge that conditions vary in different communities. They are evaluated as “optimal,” “favorable,” or “minimal” (see below), based on their potential to increase the availability of ADUs in a community. For each option, a commentary is provided about the issues involved. Some comments are predicated on the assumption that the model local ordinance is adopted in a state that has already enacted a state accessory dwelling unit law.

1. **Optimal**
   Provisions labeled “optimal” provide the fewest restrictions on the development of ADUs;

2. **Favorable**
   Provisions labeled “favorable” address the concerns of the legislative body and neighbors while imposing relatively modest requirements for the installation of ADUs;

3. **Minimal**
   Provisions labeled minimal address the concerns of the legislative body and neighbors but in a manner that is likely to reduce the potential incentives for homeowners to create ADUs.

Sorting among these provisions will allow policymakers and community members to draft ordinances that reflect their desires and concerns. Historically, communities have tended to adopt somewhat strict standards in the beginning and then to amend their ordinances with standards that more readily encourage homeowners to develop ADUs (Hare 1989, 17-18). The research conducted for this report indicates that the fear of negative impacts is greatly diminished as local officials and neighbors have the opportunity to see firsthand the benefits of ADUs for citizens. Given this experience, many communities may become interested in increasing the number of ADUs (see Sidebar B).
Sidebar B. MONTGOMERY COUNTY, MARYLAND

Like many rapidly developing suburban counties, this area outside of Washington, DC has experienced a tremendous increase in the cost of housing. With this increase in cost comes more restricted access to housing for people of low and moderate incomes. To address this problem, the county established a committee in 1983 to study how to use the existing housing stock more efficiently. One of the study results was the adoption of an accessory apartment ordinance in 1984. Since then, more than 600 special-exception applications have been submitted for accessory apartments. By 1996, the county had about 400 legal accessory apartments; since 1989, more than 360 affidavits of compliance for registered units have been filed for rent-free units used by relatives or in-home workers.

To ensure acceptance of the original ordinance, the county was very careful about establishing the criteria under which it would allow accessory apartments. The ordinance has since been amended seven times for various reasons, including allowing ADUs in cellars, reducing lot-size minimums, requiring the posting of signs when a house with an accessory apartment has been sold and the new owner intends to maintain the accessory apartment, and eliminating the requirement for an annual status report to the county council. The county found that requiring a minimum lot size is a good idea; however, the minimum lot did not need to be as large as officials initially thought.

As in any community, residents were concerned with neighborhood quality, particularly property values and parking. Montgomery County addresses these issues by requiring two off-street parking spaces or proof of adequate on-street parking and by limiting the number of accessory apartments approved in any one neighborhood. Officials have not established a hard-and-fast rule for accessory apartment spacing, but it has used a guide of no more than two units on any one block. The county also requires that owners occupy the premises.

In order to ensure the success of its accessory unit program, the county published a guidebook in 1991 designed to assist applicants seeking permits for accessory apartments. The book details who is allowed to construct an accessory apartment, the information needed to obtain a permit, and what to expect during the application process. The Montgomery County accessory apartment program started with thorough research backing up the need for this type of housing, followed by an ordinance that addressed the main concerns of residents but could be amended as needed. The county government supported the ordinance by publishing guides to getting accessory apartments approved and by maintaining on staff a program specialist responsible for coordinating the program and assisting the public.
MODEL STATE ACT ON ACCESSORY DWELLING UNITS


A. Findings.

The Legislature finds and declares that:

i. There is a large and growing unmet need for affordable housing to shelter the State’s population. (Cal. Stats. 1982, ch. 1440 Section 1);

ii. The State’s existing housing resources, particularly single-family dwelling units, are vastly underutilized due in large part to the changes in social patterns. The improved use of this state’s existing housing resources offers an innovative and cost-effective solution to the State’s housing crisis (Cal. Stats. 1982, ch. 1440 Section 1);

iii. The State can play an important role in increasing the use of existing housing resources and in reducing the barriers to the provision of affordable housing (Cal. Stats. 1982, ch. 1440 Section 1);

iv. Typical installation rates of accessory dwelling units (ADUs) are low, rarely exceeding one ADU per 1,000 single-family homes per year (Hare 1989, 1); and

v. There are many benefits associated with the creation of legal ADUs on single-family lots (Cal. Stats. 1982, ch. 1440 Section 1). These benefits include:

(1) Providing a cost-effective means of accommodating development by making better use of existing infrastructure and reducing the need to provide new infrastructure (Cal. Stats. 1982, ch. 1440 Section 1);

(2) Increasing the supply of affordable housing without government subsidies (MRSCW 1995, 9);

(3) Benefiting older homeowners, single parents, young home buyers, and the disabled (Hare 1989, Report 1, 3);

(4) Integrating affordable housing more uniformly in the community (MRSCW 1995, 9);

(5) Providing homeowners with extra income to help meet rising home ownership costs (MRSCW 1995, 12);

(6) Providing a means for adult children to give care and support to a parent in a semi-independent living arrangement (MRSCW 1995, 12);

(7) Reducing the incidence of housing deterioration and community blight by preventing absentee ownership of properties (Verrips 1983, 70);

(8) ADUs in owner occupied single-family homes foster better housing maintenance and neighborhood stability (MRSCW 1995, 12; ERA 1987, 30);

(9) Residential neighborhoods can accommodate a meaningful number of ADUs without significant negative impacts because these areas were typically designed for households with more persons than are occupying these areas (Verrips 1983, iv);
(10) ADUs provide the opportunity for increased security and companionship for older and other homeowners who fear crime and personal accidents (MRSCW 1995, 13; Cal. Stats. 1982, ch. 1440 Section 1);

(11) ADUs help meet growth management goals by creating more housing opportunities within existing urban areas (MRSCW 1995, 12);

(12) ADUs enhance job opportunities for individuals by providing housing nearer to employment centers and public transportation; and ADUs can enhance the local property tax base (Goldman and Hodges 1983, 7).

B. Purposes and Intent.
It is the policy of the State to promote and encourage the creation of ADUs in a manner that enhances residential neighborhoods in order for the people of the State to meet their housing needs and to realize the benefits of ADUs.

C. Definitions.

Note: We have defined both accessory apartments and cottages to guide communities in adopting ADU ordinances and because this model state act (Section 5.C.) requires municipalities to give the state statistics that distinguish between accessory apartments and accessory cottages. If a state is adopting a statute that does not require this distinction and record keeping, the state may use “second unit,” as in the California statutes. We prefer the wording of “accessory” over “second” relative to these units in this model statute because the word “second” may unnecessarily have negative connotations for adjacent single-family homeowners.

i. “Accessory” means that the ADU serves single-family dwelling purposes, rather than meaning that an ADU must necessarily be subordinate to or smaller than the principal dwelling unit on a single-family lot.

Note: The traditional legal meaning for “accessory” is that an accessory use of any type must be subordinate to a principal use. Because of this traditional meaning, we have defined “accessory” relative to ADUs to ensure that, if a community so desires, the ADU may be larger than the principal unit and the owner may live in either unit. In other words, this definition helps avoid a court ruling that the “accessory” dwelling unit must be smaller than the principal unit and must be occupied by a tenant rather than the owner of the principal unit. Letting the owner live in either unit is important because a major benefit of ADUs is income for homeowners, allowing them to maintain their homes or to “age in place.” Some homeowners prefer to live in the smaller unit, usually the ADU, in order to maximize their income from the rent-producing unit. In addition, this definition supports Section 10 of the model local ordinance, which permits the owner-resident to live in either the principal dwelling unit or the ADU.
ii. “Accessory cottage” means a type of ADU that is a house built or placed permanently on the same lot as a single-family house. An accessory cottage may be attached or detached from the house but is not built within the existing house.

iii. “Accessory apartment” is a type of ADU that is created by converting part of, or adding on to an existing detached single-family home or row house, or by building a separate unit into a new single-family home.

iv. “Accessory dwelling unit” (ADU) is the general term for accessory apartments and cottages. It means a residential living unit that provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling it accompanies (adapted from Cal. Gov't Code Section 65852.2(l)(4)).

v. “Default provisions” means the standards of Section 4 of this Act that a community must apply if it has no local ADU ordinance.

vi. “ Dwelling unit” means a residential living unit that provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation.

vii. “Living area,” means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure (Cal. Gov’t Code Section 65852.2(l)(1)).

Note: This definition is used in a default-provision standard of this model state act (Section 4.F.v.) that limits the floor area of an ADU to not more than 40 percent of the living area of the existing residence.

viii. “Municipality” means a general-purpose local government created by general law or a charter, including a city, county, or village.

Note: In some states, this definition should include towns, townships, and boroughs.

ix. “Owner-occupant” means an owner who has legal residency on the premises of a dwelling unit that contains an ADU, who resides in the home at least six months of the year, and whose portion of the dwelling is not occupied when the owner is not present.

2. General Regulatory Authority.
Municipalities may, by adopting a municipal ordinance, exercise the authorities granted in this Section of the Act.

Note: The major issue in this section is whether local governments will be mandated to adopt an ADU ordinance. As discussed in the introduction, this model state act does not mandate adoption of an ordinance by a municipality. However, section A below is recommended because it, along with the remainder of the act, strongly encourages communities to adopt ADU regulations.
A. Ordinance Adoption.
Any municipality may, by ordinance certified by the State pursuant to this Act, provide for
the creation of ADUs in single-family and multi-family residential zones (see similar
provisions in Cal. Gov't Code Section 65852.2(a) and Haw. Rev. Stat. Section 46-4(c)).

B. Criteria for Determining Areas.
Municipalities may designate areas within the jurisdiction where accessory units may be
permitted. The designation of areas may be based on criteria that may include, but are not
limited to, the adequacy of water and sewer services and the impact of ADUs on traffic
flow (adapted from Cal. Gov't Code Section 65852.2(a)(1)).

Note: At times, communities exclude ADUs from various neighborhoods
without a reason related to the physical community, such as adequacy of
certain services. Section 2.B. of the model state act guides local governments
to consider these service factors as a basis for determining the appropriate
areas for ADUs.

C. Approval Process.
Municipalities may establish a process for the issuance of a permit or a conditional use
permit for ADUs (adapted from Cal. Gov't Code Section 65852.2(a)(4)).

Note: Section C deals with whether a community must allow ADUs by right,
simply by making application, or must go through a conditional use permit
process that often involves a hearing. Adopting a conditional permit process
typically gives communities more control over ADUs than if the units are
allowed by right. For more discussion of the issues related to the approval
process, see the note in Section 4 of the model local ordinance.

D. Imposing Standards.
Municipalities may impose standards on ADUs that include, but are not limited to,
parking, height, setback, lot coverage, architectural review, and maximum size of unit
(adapted from Cal. Gov't Code Section 65852.2(a)(2)).

Note: This section clarifies that a municipality, in approving an application to
create a legal ADU, may impose conditions related to the factors discussed
above.

E. Requiring Owner Occupancy.
Based on the finding of this act, that premises with owner-occupants are better
maintained, the legislature declares that a municipal regulation requiring properties with
ADUs to be owner occupied, either in the accessory unit or the principal unit, prevents
deterioration of neighborhoods and is a regulation substantially related to land-use impact.
Such a requirement is, therefore, a regulation of land use rather than a regulation of the
user of land.
Note: Courts may rule that a community has no zoning authority to require that a site with an ADU be occupied by the owner, on the basis that this regulates the land user rather than the land use (Ziegler 1995, 56A-8). However, on July 29, 1996, a California appeals court issued the only published court decision (issued by a court higher than a trial court) addressing the owner-occupancy requirement in the context of ADUs. In the case of Soulehein v. City of San Dimas, 55 Cal. Rptr. 2d 290, the court heard a claim by homeowners that the city's owner-occupancy requirement imposed on their ADU permit was invalid; even if it were not invalid, it applied only to the "applicant" and not subsequent owners. But the court upheld the owner occupancy requirement as a "character of the property as owner-occupied" and further ruled that the requirement applies to all subsequent owners of the premises. Id. at 296. Such a condition attaches to the land, the court explained, in order to fulfill the legislative purposes in imposing the condition. Id. The purposes of the owner-occupancy requirement, the court noted, are to discourage speculation in residential properties that can make housing less affordable, to prevent the disadvantages of absentee ownership, and to preserve residential neighborhood character. The Soulehein case means that the owner-occupancy requirement for ADUs has now been directly addressed and upheld by a state court.

In Section 2.E., the state legislature gives municipalities the specific authority to require owner occupancy on the basis that it encourages maintenance of the dwellings and premises.

This Act does not limit the authority of municipalities to adopt less restrictive requirements for the creation of ADUs (adapted from Cal. Gov't Code Section 65852.2(e)).

Note: This section clarifies that the model state act generally does not cut back on a community's power to adopt provisions that are less restrictive than those in the model state act. For example, Section 3.D. of the model state act limits how many parking spaces may be required for each ADU. However, section 2.F. allows a community to be less restrictive if it so desires. For example, it may not require any parking spaces to be provided for a new ADU. Emphasizing that local ordinances may be less restrictive than the model state act allows communities to be less restrictive on ADUs if they witness their benefits and become more comfortable with the idea of ADUs in single-family zoning districts.

G. Maximum or Minimum Size.
A municipality may establish minimum and maximum unit size requirements for both attached and detached ADUs (adapted from Cal. Gov't Code Section 65852.2(d)).
Note: The size of ADUs can raise the concerns of neighbors that the units are either too large or too small (see the model local ordinance, Section 17, for more on these issues). This section of the model state act makes it clear that a community adopting its own ADU ordinance may set limits on how large or small an ADU can be. Communities not adopting their own ordinances cannot set maximum or minimum size on attached or detached ADUs. (Maximum size limits are set by the default provisions.) In other words, for communities that want to set their own standards on ADU sizes, this section gives them incentives to adopt their own ordinances.

H. Use, Density, and Plan Consistency Rules.
Municipalities may provide that ADUs do not exceed the allowable density for the lot upon which the ADU is located, and that ADUs are a residential use that is consistent with the existing community plan and zoning designation for the lot (adapted from Cal. Gov’t Code Section 65852.2(a)(3)).

Note: An issue for ADUs is whether they are inconsistent with existing residential zoning, zoning density standards, and community plans. Section 2.H. authorizes communities to accommodate ADUs by stating — in the appropriate local documents (ordinances, or plans) — that the units are harmonious with local plan policies and density concerns. This is a perfectly reasonable assumption, since family size is shrinking in the U.S. and much of the space in homes and infrastructure in residential neighborhoods was originally designed for larger families and is now underused.

3. Limiting Regulatory Authority.

A. Noninterference by Other Law.
No municipality may develop, amend, or interpret other codes or regulations, such as building codes or special taxing district provisions, in ways that interfere with the intent of this Act.

Note: At times, neighbors’ fears and misperceptions about ADUs can put political pressure on local elected officials to use their powers to veto homeowners’ plans to develop ADUs. A wide variety of local government actions and regulations can be used for this purpose. While it is likely that only a small percentage of municipalities would misuse their powers against ADUs, this section makes it illegal for them to do so.

B. Exemption from Growth-Limitation Measures.
ADUs shall not be considered in the application of any local ordinance, policy, or program to limit residential growth (adapted from Cal. Gov’t Code Section 65852.2(a)(5)).

Note: If this provision is not included in a statute, a community could adopt an ordinance allowing the creation of ADUs only to have the units banned because of existing growth limit measures, such as moratoria or quotas on
building permits. These latter growth control measures should not apply to ADUs because they can be accommodated within the present infrastructure capacities of existing residential neighborhoods.

C. Prohibiting ADUs.
No municipality shall adopt an ordinance that totally prohibits ADUs within single-family or multi-family zoned areas unless the same:

i. Contains findings acknowledging that it may limit housing opportunities of the region;
ii. Contains findings that the ban is justified because of specific adverse impacts on the public health, safety, and welfare that would result from allowing ADUs within single-family and multi-family zoned areas;
iii. Bases the latter findings on technical reports of studies of the municipality;
iv. Explains why such units cannot be accommodated within the present utility and service capacities of existing single-family neighborhoods; and
v. Is certified by the State Housing Office as conforming to this Act, in the same procedure defined in Section 5. Until certification of any such ordinance, applications for approval shall be subject to the default provisions of this Act. (adapted from Cal. Gov't Code Section 65852.2(c)).

Note: Because the general policy of the statute is to encourage the development of ADUs, this section requires communities to justify any ban on them. Few communities in California banned these units following adoption of its ADU law in 1982 (CDHCD 1987, VIII-13). However, this section is stronger than the California law and makes it more difficult for a community to ban ADUs. Although, under California law, a ban on ADUs must be accompanied by specific findings, it does not have to be based on a technical report of a study of the community, as is required by this section. In addition, unlike the California law, this section requires that the state Office of Housing must certify an ordinance banning ADUs.

D. Parking Requirements.
Parking requirements for ADUs shall not exceed one parking space per unit or per bedroom, whichever is greater. Additional parking may be required, provided that a finding is made that the additional parking requirements are directly related to the use of the ADU and are consistent with existing neighborhood standards applicable to existing dwellings. Off-street parking shall be permitted in required residential yards, setback areas, or through tandem parking (adapted from Cal. Gov't Code Section 65852.2(c)).

Note: This section prevents communities from requiring more parking than is reasonable, and it applies to communities with and without ADU ordinances (see Section 20 of the model local ordinance for more discussion on parking).
E. Fees.
Fees for permitting construction of ADUs shall not exceed 30 percent of the fees that would be charged for creation of a single-family home in areas with similar zoning.

Note: This provision addresses the fact that high fees can be major disincentives to homeowners seeking to develop ADUs (see the note in Section 5 of the model local ordinance).

A municipality without an adopted state-certified ADU ordinance that receives an application for a permit for an ADU on or after [the effective date of the Act] shall accept the application and approve or disapprove the application pursuant to the default provisions of this Section 4 of the Act, unless it adopts a certified ordinance in accordance with this Act within [120] days after receiving the application.

Note: This provision tells municipalities how to process their first application to create an ADU if they do not have an ordinance that conforms to this model state act. It also gives communities the option of quickly adopting their own ordinance and getting state certification if the community prefers its own provisions rather than the model state act’s default provisions. This will encourage communities to adopt their own ADU rules.

A. Only Basis for Denial.
No other local ordinance, policy, or regulation shall be the basis for the denial of a building permit or a use permit under Section 4 of the Act (Cal. Gov’t Code Section 65852.2(b)(2)).

Note: This provision prevents a community without an ADU ordinance from excluding an ADU on the basis of any other measure. While this section says that no other rules shall be applied (except those that apply to other residences), the next section prevents a local government from applying the default provision’s standards in a stricter fashion.

B. Maximum Without Local Ordinance.
The default provisions of this Section 4 establish the maximum standards that municipalities shall use to evaluate proposed ADUs on lots zoned for residential use that contain an existing single-family dwelling. No additional standards, other than those provided in this section, shall be used or imposed, except that a municipality may require lots or parcels of land with an ADU to be owner occupied (adapted from Cal. Gov’t Code Section 65852.2(b)(2)).
C. No Changes Necessary.
No changes in zoning ordinances or other ordinances or any changes in the general plan shall be required to implement the default provisions of this Act. Any municipality may amend its zoning ordinance or general plan to incorporate the policies, procedures, or other provisions applicable to the creation of ADUs if these provisions are consistent with the limitations of the default provisions (adapted from Cal. Gov't Code Section 65852.2(b)(4)).

Note: A community is subject to the default provisions of this model state act if it does not have an ADU ordinance of its own. But if a community without an ADU ordinance wants to amend a comprehensive plan or other ordinance, this provision allows it to do so if the amendment is consistent with the default provisions.

D. Accommodating Units.
An ADU that conforms to the requirements of the default provisions shall not be considered to exceed the allowable density for the lot upon which it is located and shall be deemed a residential use consistent with the existing general plan and zoning designations for the lot. ADUs shall not be considered in the application of any local ordinance, policy, or program to limit residential growth (adapted from Cal. Gov't Code Section 65852.2(b)(5)).

Note: This provision is designed to protect ADUs from other local laws. If a community adopts its own ordinance, it may require more land area for an ADU. But if the community has no ADU ordinance and is therefore subject to the default provisions of this model state act, it cannot require an ADU to be on a lot larger than the minimum lot size for the zoning district. This is another example of how a community may gain more control over ADUs by adopting its own ADU regulations.

E. Public Notice of Public Official.
On the first Monday of each yearly quarter, each municipality of the state that has not adopted state-certified ADU regulations shall publish in the general newspaper of greatest frequency and circulation the name, title, address, and hours of availability of the public official who is responsible for processing applications for permission to develop ADUs under the default provisions of this Act.

F. Standards.
Every municipality shall grant a permit or special use or a conditional use permit for the creation of an ADU if the unit complies with all provisions of this Section 4, including the following standards (adapted from Cal. Gov't Code Section 65852.2(b)(1)):

i. The proposed ADU is not intended for sale and may be rented (adapted from Cal. Gov't Code Section 65852.2(b)(1)(A));
Note: The issue that this standard addresses is whether the homeowner can sell only the ADU to another person while still owning the principal home and lot. By preventing the sale of the ADU, this standard is designed to prevent the creation of dual ownership of two buildings on, or from, one single-family lot (see the discussion of this issue in Section 18 of the model local ordinance).

ii. The lot proposed to contain the ADU is zoned for single-family or multi-family use (adapted from Cal. Gov’t Code Section 65852.2(b)(1)(B));

Note: This standard addresses the issue of whether ADUs will be built in commercial and industrial land zoning districts. Essentially, this standard, by allowing ADUs only on land zoned for residential uses, prevents occupants of ADUs from suffering the impacts of commercial and industrial land uses.

iii. The lot proposed for an ADU contains an existing single-family dwelling (adapted from Cal. Gov’t Code Section 65852.2(b)(1)(C));

Note: In dealing with ADUs, communities must decide if they will be allowed in new units or only in existing ones. This standard clarifies that under the default provisions, ADUs cannot be built simultaneously with, or before, a new dwelling unit (see also the discussion of similar issues in the model local ordinance, Sections 7, 13, and 14).

iv. The ADU is either attached to the existing dwelling and located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling (adapted from Cal. Gov’t Code Section 65852.2(b)(1)(D));

Note: This section allows unattached ADUs. Many communities do not want such ADUs in their residential neighborhoods (see the discussion of the model local ordinance, Section 3, Authorization for ADUs by Zoning District). For that reason, this provision may encourage some local governments to push for adoption of a local ADU ordinance that leaves out this provision.

v. The floor area of an attached ADU shall not exceed 40 percent of the living area of the existing residence (adapted from Cal. Gov’t Code Section 65852.2(b)(1)(E));

Note: In the California default provisions, the increase in floor area was limited to 30 percent. For the issues related to this provision, see the model local ordinance, Section 17.

vi. The total area of floor space for a detached ADU shall not exceed 1,200 square feet (Cal. Gov’t Code Section 65852.2(b)(1)(F));

Note: See the discussion of maximum ADU size in the model local ordinance, Section 17.

vii. Requirements relating to height, setback, lot coverage, architectural review, site plan review, fees, charges, and other zoning requirements generally applicable to residential construction in the zone in which the property is located are applicable to any ADU (Cal. Gov’t Code Section 65852.2(b)(1)(G));
Note: This section allows a local government to apply other residential construction rules to ADUs. Politics as well as practicality justifies this section — that is, exempting ADUs from standards applied to residential construction could create opposition from neighbors and local elected officials. Although the model state act limits the laws that can be applied to ADUs, this section clarifies that residential construction standards do apply to ADUs.

viii. Local building code requirements that apply to detached dwellings, as appropriate, are to be applied to an ADU; and

ix. Approval by the local health officer where a private sewage disposal system is being used, if required (Cal. Gov’t Code Section 65852.2(b)(1)(f)).

Note: For a discussion of the public health issues related to this provision, see the model local ordinance, Section 21.

5. State’s Role in ADU Policies.

A. Required Municipal Ordinance Submission.
A municipality shall submit a copy of the ordinances adopted pursuant to Section 2 or Section 3.C. to the Office of Housing within 60 days after adoption (adapted from Cal. Gov’t Code Section 65852.2(h)).

Note: This section is optional for states that do not want to give themselves a strong role related to ADUs. In this section, communities are required to submit their ADU ordinances to the state whether they are regulating (Section 2) or banning ADUs (Section 3.C.).

In addition to submitting ordinances after they are adopted, municipalities are required (under Section 5.B.) to present proposed ADU ordinances prior to adoption for the state’s review. Submitting the ADU ordinance is the initial step that allows the state to play its role in the remaining sections of this model state act.

B. State Certification of ADU Ordinances.
A municipality shall submit the zoning ordinance, amendments to a certified ordinance, or an ordinance banning ADUs 30 days prior to final approval of such ordinance or amendment to the State Office of Housing for an opinion on whether the ordinance conforms to this statute. This submission must include the municipality’s date of planned final approval. The Office of Housing may notify other relevant agencies so that they may also comment on whether or not the municipality’s draft ordinance conforms to the statute. The Office of Housing shall notify the municipality prior to its planned date of final approval of its opinion as to conformity of the ordinance to this statute. If, in the opinion of the Office of Housing, the ordinance and/or amendments reviewed do not conform to this statute, the Office of Housing shall notify the local jurisdiction of actions that must be taken to bring the ordinance(s) and/or amendments into conformity.
The jurisdiction must bring its ordinance into conformity, as recommended by the Office of Housing pursuant to the prior section, within 90 days of notification of nonconformance by the Office. If the municipality has not brought its ordinance into conformity within the 90-day period, the Office of Housing will notify the jurisdiction that it must automatically accept and process applications for ADUs under the default regulations of this Act until conformity is certified by the Office of Housing. Prior to any certification by the Office of Housing, any applications submitted under the default regulations of this Act shall be processed fully and solely under those regulations.

Amendments to a municipality's ordinance certified by the Office must be submitted and certified in the same manner and procedure as the initial proposed ordinance pursuant to this section.

C. Municipal Annual Reports to State.
Each municipality shall report annually to the Office of Housing the following statistics, on a form to be provided by the Office of Housing, the number of:

i. Single-family structures in the jurisdiction;
ii. Single-family structures in single-family residential zones and in multi-family residential zones in which accessory units are permitted;
iii. Illegal accessory apartments or accessory cottages, attached and unattached, known or estimated to be in the jurisdiction;
iv. Applications to legalize illegal accessory apartments submitted to the jurisdiction and the results of processing these applications;
v. Legal accessory apartments and accessory cottages, attached and unattached, in the jurisdiction;
vi. Applications for new accessory units accepted for processing;
vii. Applications approved and/or permits issued by size, number of bedrooms, and area location;
viii. Applications disapproved, with reasons categorized by requirements not met; and
ix. Complaints against legal ADUs, with the complaints categorized by the perceived impacts, such as parking, aesthetics, or traffic.

D. State Annual Report.
The Office of Housing shall prepare an annual report to the Governor and the legislature from the annual reports from the municipalities, including the installation rates of ADUs and recommendations, if any, for amending the Act or other implementation measures necessary for developing ADUs as affordable housing. The annual report shall include any recommendations from the State Advisory Board on ADU policies.

E. State Advisory Board on ADU Policies.

i. Creation.
The Office of Housing shall establish an Advisory Board to monitor implementation of
the Act and to recommend amendments to the Act or model local ordinance provisions to the Office of Housing.

ii. Composition.
The Advisory Board shall be appointed by the Director of the Office of Housing in consultation with the legislature and Governor and shall include one representative from each of the following groups: remodelers, mortgage bankers, real estate agents, new home builders, first-time home buyers, home health care agencies, local permitting agencies, and organizations for the disabled, older persons, and neighborhoods.

iii. Duties.
The Advisory Board’s duties shall include, but not be limited to, preparing an annual commentary on the report prepared by the Office of Housing on accessory units. The Board’s commentary shall contain recommendations for furthering the purposes of the legislation and will be published and circulated with the Office of Housing’s annual report.

*Note: This section of the model state act is optional. It gives the state the role of encouraging ADUs and reviewing local efforts to accommodate them. This role includes action by a state agency — the Office of Housing. The model state act recommends that state Offices of Housing certify local ordinances as conforming to the statute, analyze data from annual municipal reports (Section 5.C.), and provide recommendations to the legislature and Governor for promoting ADUs.*

*One shortcoming of Washington State’s ADU statute was that it did not provide a way for the state to assess how the statute was working at the local level (Hope 1996). This shortcoming is typical of existing ADU legislation. The optional monitoring provision here would require communities to report specific ADU data to the State Housing Office (Section 5.C., which applies to all communities within a state) and to obtain ADU policy recommendations from a State Advisory Board (Section 5.E.). With the benefit of the community data and the advisory board recommendations, the Office of Housing would prepare an annual report proposing new or amended policies to the state legislature and Governor (Section 5.D.). This optional monitoring mechanism would assist the state in assessing the law’s success. Because it allows well-informed policy adjustment to be made, it should help ensure the ultimate success of the state ADU policies. The authors, however, recognize that some states would be unwilling or unable to afford such a monitoring program. Omission of these provisions, giving the state this monitoring role, would not be fatal to the purposes of the model state act.*
MODEL LOCAL ORDINANCE ON ACCESSORY DWELLING UNITS

I. General Provisions.

1. Purpose and Intent.

Note: In this section of the ordinance, a community makes clear what it is trying to achieve in adopting the ordinance. This information may help in defending the ordinance in a court case or in informing citizens as to how the ordinance will benefit and protect their interests. In spite of the advantages this section can provide, communities have typically omitted it in their ADU ordinances.

If a community has no purposes that are different from those of the model state act, it may simply want to reference that act's findings (Section 1) and its purposes and intent (Section 2). We highly recommend that a community adopting an ADU ordinance copy the information in Section 1 of the model state act and present these findings (particularly the benefits of ADUs) to citizens at public hearings. In addition, the local legislative body would be wise to adopt, if this is not part of its ordinance, Section 1 of the model state act, including the benefits, into the record of its minutes when it adopts the ADU ordinance. Afterward, the public official administering the ADU ordinance can make this information available to persons inquiring about ADU permits.

If a community has public purposes that are different from those in the model state act, those purposes should be specified in the ordinance (after consulting legal counsel that they are not inconsistent with the purpose of state ADU legislation). For example, some communities use ADUs to help rehabilitate rundown areas containing large older houses; others intend for only certain groups to benefit from ADUs, such as the disabled, older persons, or family members. The model local ADU ordinance presents options (optimal, favorable, or minimal) to meet varying conditions and concerns in different communities. (See Introduction to Model State Act on Accessory Dwelling Units and the Model Local Ordinance on Accessory Dwelling Units.) We have provided a minimal option that targets only certain populations as beneficiaries of ADUs. (See the note accompanying Section 11 below related to limiting the occupants of ADUs.)

[Optimal provision] It is the policy of [name of local government] to promote and encourage the creation of legal ADUs in a manner that enhances residential neighborhoods and helps residents meet their housing needs and realize the benefits of ADUs.

[Favorable provision] None
[Minimal provision] It is the policy of [name of local government] to promote and encourage the creation of legal ADUs in a manner that enhances residential neighborhoods in order that persons [name target groups, such as older persons] can meet their housing needs and realize the benefits of ADUs.

2. Definitions.

Note: Terms in an ordinance that should be defined are those that the public may not be familiar with and those that vary from the ordinary definitions in Webster's dictionary. Since the model local ordinance must be consistent with the model state act, the latter's definitions of accessory, accessory dwelling unit, accessory apartment, accessory cottage, living area, and owner-occupant should be included in this model local ordinance. A community may simply incorporate these definitions by reference to the model state act, as we have done here to save space. However, users of an ordinance (e.g., applicants for a permit) are inconvenienced by such a practice since most do not have easy access to state laws. Therefore, it is better to repeat the model state act's definitions in the ordinance. In addition to the definitions in the model state act, the ordinance adds a definition for Zoning Administrator. Note that, because the ADU ordinance is part of a local zoning ordinance, the definitions of the zoning ordinance will apply to the ADU ordinance.

"Zoning Administrator" means the local official who is responsible for processing and approving or denying applications to develop or legalize ADUs.

Note: As discussed in Section 4 below, this model local ordinance assumes that the community Zoning Administrator has the authority to act on applications for ADUs. However, if the approval process, as discussed in Section 4 below, is the one used for a conditional use permit, the planning commission, a board of zoning adjustment, or another local body may be responsible for acting on ADU applications.

II. Permits: Eligibility and Application.

3. Authorization for ADUs by Zoning District.

Note: This section addresses allowing ADUs in specific types of zoning districts (or zones). Neighbors' fears about harmful impacts of ADUs result in some communities banning ADUs or only allowing them in one zone, while other communities are more liberal. In a 1995 survey of 150 communities in the Province of British Columbia, for example, 46 allowed ADUs only in two-family zones, 41 allowed them in single- and two-family zones, 10 allowed them only in single-family zones, and 42 prohibited ADUs (BCMHRSC 1995, 5).
The model state act allows communities to designate areas where ADUs are permitted and sets out the types of criteria for determining those areas (See sections 2A and 2B). In addition, the Act allows communities to locate ADUs in any single-family or multi-family zones.

These statutory provisions give communities wide discretion in permitting ADUs in many types of residential zoning districts. But in using this discretion, communities must make some key decisions about the capacities of various types of residential zones to absorb ADUs. Certainly, not all types of residential zones are equal in this regard. The desirability of locating ADUs in the major types of residential zones is discussed below.

**Multi-family zones.** These zones are distinguished by multi-family structures that not only have common walls between dwelling units but also are atop one another. The typical principal units are apartments or condominiums in multi-story structures. ADUs are seldom, if ever, allowed in these zones because they tend to have less potential than do single-family zones for accommodating ADUs in terms of available parking, infrastructure, and unused housing space.

**Clustered single-family zones.** These zones contain single-family dwelling units that have common walls but are not atop one another. These zones may be called low-density, multi-family zones or higher density, single-family zones, and they have as principal units row houses, townhouses, or clustered single-family dwelling units. Siting ADUs in these zones is also difficult for several reasons. Parking is often inadequate in areas with townhouses, row houses, or clustered single-family units. In addition, building and fire codes often require bedrooms to have a window for exterior emergency exits by occupants. For this reason, common walls shared by dwelling units greatly reduce the potential to locate accessory apartments in zones with these types of principal units.

**Single-family zones.** These zones contain one single-family dwelling unit per lot and provide the greatest opportunities for siting all types of ADUs. Even in these zones, however, neighbors' concerns about property values and aesthetics often cause communities to ban detached accessory cottages or to allow them only on larger lots. Detached units are more expensive to build (MRSCW 1995, 34) and are usually a relatively small portion of the total number of ADUs in a community. One of the reasons that accessory apartments outnumber detached units is because illegal detached ADUs are impossible to hide. In towns with a preponderance of small lots (such as Daly City, California), not allowing detached ADUs is appropriate (MRSCW 1995, 34). Attached cottages are allowed in more communities than are detached cottages.
None of the three model provisions allow ADUs in multi-family zones as described above. The optimal provision allows all types of ADUs in single-family zones with one principal unit per lot, but only accessory apartments in zones with single-family units sharing common walls. In the latter zones, apartments are allowed only if the applicant provides proof that the ADU conforms to fire and building code requirements. The favorable provision does not permit ADUs in zones with dwelling units that have walls in common, but in other single-family zones (districts with one dwelling unit per lot), accessory apartments and attached cottages may be built.

The favorable provision also allows detached accessory cottages in the one-unit-per-lot zones if a specified minimum lot size is met. (This authority is not extended in the favorable provision to other types of residential zones, even if that minimum lot size happens to be met by an individual applicant, because the parking problems in those zones would not strike a balance between the neighbors’ concerns and those of ADU developers.) In the minimal provision, accessory apartments are authorized only in zones with one home per lot, and accessory cottages are not allowed in any zones.

In adapting the model provisions to a local zoning ordinance, a community will substitute its zoning district names (or abbreviations) for the model provisions’ descriptions of zoning districts. For example, a community labeling its one-unit-per-lot zone as "Single-Family Residential Zone (SFR)" will substitute that for "zoning districts designed primarily to permit single-family homes on individual lots" in these model provisions. Similarly, "Townhouse Residential Zone (TR)" may be substituted for "zoning districts designed primarily for single-family homes with walls attached to other single family homes."

**Optimal provision** ADUs are allowed in zoning districts designed primarily to permit single-family dwelling units on individual lots. Accessory apartments may be located in zoning districts designed primarily for single-family dwelling units with walls attached to other single family homes when applicants provide written evidence from the proper fire and building officials that the proposed ADU conforms to building and fire code regulations.

**Favorable provision** An accessory apartment or an attached accessory cottage may be permitted in any residential zone designed primarily to permit single-family dwelling units on individual lots. A detached accessory cottage may be located in this same zone on a lot with a minimum lot size of [specify minimum size].

**Minimal provision** An accessory apartment may be allowed in zoning districts designed primarily to permit single-family dwelling units on individual lots.

Note: A lengthy and burdensome application process will discourage homeowners from developing ADUs (Gellen 1985, 185; MRSCW 1995, 28). An application procedure that involves a public hearing means a loss of privacy (Gellen 1985, 185) and added time to reach a final decision on the permit (Hare 1989, 20). One study noted that application periods ranged from one day to six months (CSS 1991, 22). Advocates of ADUs argue that requiring a conditional use permit for an ADU is unfair when ADUs typically have less impact than single-family residences that are allowed by right. Neighbors, on the other hand, may prefer the conditional use permit process so they can collectively voice their concerns before local decision makers.

The two basic options available to a community are to allow ADUs through the conditional use permit (sometimes called special exception, special permit, or special land use) or to allow them by right in the zoning district. “By right” means that the process involves filling out an application and presenting it to a local building official or Zoning Administrator, who will check to see that it meets the requirements of the ordinance. No hearing or discretionary decision is involved. The conditional use permit process, however, involves a hearing preceded by public notice. The “by right” approach has the advantage of being fast and less public for ADU applicants. Of course, if there is a great deal of political resistance to adopting an ADU ordinance, the reassurance that ADUs will be subject to the conditional use process, with hearings, can persuade law makers to adopt an ordinance. Communities that are new to the process may choose the latter approach.

This model local ordinance is written with a Zoning Administrator making the decision to issue an ADU permit. If a community wants to use a conditional use approach, the provisions of this ordinance are easily convertible by substituting, in the place of the Zoning Administrator, the name of the local body that makes decisions on conditional use permits. The type of local body varies but is often a planning commission, a zoning commission, or a zoning board of appeals.

The favorable provision below is designed to speed up permit processing. A hearing will not be necessary in every case. A neighbor can choose to meet with an applicant and the building official to review the application. However, if a neighbor has serious concerns, a hearing can be conducted after the neighbor requests one in writing. Several sources have recommended this provision, which can eliminate the need for a public hearing (Hare 1989, 21; CSS 1991, 55). Another option would be to notify at least 10 adjacent property owners to check for possible objections. If none were raised, the application would not be processed via the conditional use permit procedure (CSS 1991, 55).
The optimal provision allows ADUs by right without a hearing, and the minimal provision is to make ADU applicants go through the conditional use permit process with a hearing. The full procedure for a conditional use process is not given in this section because the local zoning ordinance (of which the ADU is a part) will provide those procedures, which are often specified in the state zoning enabling act.

In choosing a procedure for ADUs, it is important to keep in mind that even ADUs allowed by right are subject to standards in the ordinance. The trend in Washington State communities that have recently adopted ADU ordinances is to allow them by right, subject to ordinance criteria (MRSCW 1995, 27).

[Optimal provision] One ADU is permitted per residentially zoned lot, provided the Zoning Administrator first approves the proposed ADU as complying with the standards of this ordinance.

[Favorable provision] One ADU is permitted per residentially zoned lot, provided the Zoning Administrator first approves the proposed ADU as complying with the standards of this ordinance, unless a property owner requests in writing that the application be processed via a conditional use permit procedure. Within five days after receiving a completed application for approval of an ADU, the Zoning Administrator shall notify by mail all property owners within 300 feet of the property proposed for an ADU. The notice to the property owners shall inform the owners that they may, at any time within 30 days of the date of mailing of the notice, in writing to the Zoning Administrator either demand and have a meeting with the applicant and the Zoning Administrator to review the application, or can cause the application to be processed with conditional use permit procedures. Within the same 30-day period, the Zoning Administrator shall meet simultaneously with an applicant and owners who have properly demanded meetings to review the application. If either the applicant or the Zoning Administrator fails to meet with such an owner, the owner may demand in writing to the Zoning Administrator that the application be processed via the conditional use permit procedure.

[Minimal provision] One ADU is permitted per residentially zoned lot by conditional use permit if the proposed ADU conforms to the standards of this ordinance.

5. Application Fees and Information.

Note: Other difficulties for homeowners contemplating installing an ADU are permit fees, complicated applications, and multiple-stop approval processes. Application fees associated with a hearing can also be much higher than are application fees unrelated to hearings. A 1989 study of 47 communities found that in the 10 communities with the greatest installation rates for ADUs, none had fees higher than $2,000 (Hare 1989, 15). The same study revealed that in the County of Los Angeles, an applicant paid a $3,000 fee that was nonrefundable for an ADU, and the permit was denied (Hare 1989, 21).
The model state act (Section 3.E.) does not allow the fees for ADUs to be higher than 30 percent of the application fee for a single-family residence. This section levels the playing field for ADUs. The optimal provision is consistent with the model state act, limiting the ADU fees to 30 percent of the fees for a house, but the favorable provision does not conform to the act because it allows communities to charge equal fees for ADUs and other dwelling units.

[Optimal provision] Application fees for ADUs shall not be more than 30 percent of the application fees for a single-family dwelling unit. The information required on applications for creating or legalizing ADUs shall be the same information that is required to construct a single-family dwelling unit.

[Favorable provision] Application fees and application information required for ADUs shall be less than or equal to those required to construct a single-family dwelling unit.

[Minimal provision] None

6. Permit Renewal (Monitoring).

Note: In order to make sure that an ADU continues to comply with the conditions that were a part of the permit as originally issued, some communities issue temporary permits and require periodic permit renewal. For example, in a survey of 30 communities with ADU ordinances, 14 percent issued temporary permits (APA 1996). While requiring permit renewal and inspections has the advantage of making neighbors feel more comfortable with ADUs, it increases administrative costs related to an ordinance. More significantly, this requirement discourages the creation of ADUs for reasons similar to those of limiting groups of eligible occupants, as discussed in the introduction to the model state act ("Avoiding Policies that Deter New ADUs"). Bankers and the homeowners who actually have a financial stake are more nervous about temporary permits.

For this reason, we have written optimal and favorable provisions to provide permanent permits. The optimal provision requires the ADU owner to file an annual statement that the ADU complies with the local ordinance. The favorable provision states that the permit expires if the ADU no longer conforms to the ordinance and that a complaint by a neighbor can cause a hearing to determine conformance to the ordinance. But the permit issued for an ADU under the minimal provision is only a temporary one and must be renewed. This provision is waived, however, if there are no complaints of violations made to the Zoning Administrator. Communities that want to apply a more strict provision can remove that portion of the provision that allows the ADU owner to have the permit renewal waived if no complaints are filed.
Optimal provision] The owner of an ADU shall, on the first day of every year [or specify intervals in number of years], sign and file written statements with the Zoning Administrator that the ADU complies with the municipal zoning code.

Favorable provision] A certificate of occupancy [or permit] issued for an ADU shall expire if the ADU does not conform to the municipal zoning code. If a complaint is made to the Zoning Administrator by a landowner within 300 feet of the ADU, the Zoning Administrator shall cause a hearing to be held within 60 days after the date of the complaint to determine if the ADU violates the municipal zoning code. Fifteen days prior to the public hearing, the Zoning Administrator shall notify all property owners within 300 feet of the site of the ADU of the hearing. Revocation of a permit by the Zoning Administrator must be based on an inspection of the ADU premises and a written record of the Zoning Administrator’s findings at the hearing.

Minimal provision] Permits for ADUs shall be issued for a period not longer than five years and must be renewed at the end of the first term of issuance and every such period thereafter. Temporary permits for ADUs do not have to be renewed if, during the time period since the date of the last renewal or waived renewal date, no complaints of violations of the municipal zoning code by the ADU are filed with the Zoning Administrator. Renewal of temporary permits requires inspection of the ADU premises by the Zoning Administrator.

III. Standards.

7. Lot Standards - Occupied by Dwelling Unit.

Note: Can a permit be issued for developing an ADU on a lot that is not already occupied by a dwelling unit? This section addresses whether an ADU can be designed and built simultaneously with the construction of a new residence. This question springs from a community’s general reluctance to convert a single-family zone into a duplex zone. Many local ordinances, such as the default provisions of the model state act (Section 4.F. iii.), allow ADUs only on lots that already have dwellings. This is common (APA 1996). Some local governments, however, have begun to allow new houses to be constructed with ADUs (MRSCW 1995, 47). Communities adopting their own ordinance under the model state act can allow ADUs in, or with, new residences. Proponents of ADUs have emphasized that ADUs built in new houses are less expensive “with designs that more effectively address exterior appearance and parking issues” (MRSCW 1995, 47).

For the latter reason, our optimal provision allows ADUs to be designed and built in or related to new dwellings. The optimal option allows all types of ADUs to be developed related to new homes.

Accessory apartments, rather than either attached or detached accessory cottages, are generally more acceptable as a type of ADU built in relation to
new residences. Consequently, in the favorable provision only accessory apartments are allowed to be built related to new homes. The minimal provision requires lots to have an existing dwelling in order to be eligible for an ADU permit.

If a community does allow ADUs in new houses, as per Section 7, it would be contradictory to base eligibility for an ADU on the age of the principal dwelling or how long it has been owned. (See Sections 13 and 14 concerning standards for principal dwelling units.)

[Optimal provision] An ADU may be incorporated in either an existing or a new dwelling unit (WOCD 1994, Section A.7.).

[Favorable provision] An accessory apartment may be incorporated in either an existing or a new dwelling unit.

[Minimal provision] The lot proposed for an ADU shall contain an existing single-family dwelling unit (adapted from Cal. Gov’t Code Section 65852.2(b)(1)(C)).


Note: This section addresses the lot sizes required for ADU installation. This requirement is often excessive and can greatly diminish the number of ADUs in a community. In a survey of 30 ordinances, the minimum lot size requirement varied from 4,500 square feet to one acre (APA 1996). One community allows detached ADUs only on lots that are 1.5 times the minimum lot size of the zoning district (Orange County, Fla., Zoning Code Sec. 38-1426 (f)(4)). Some communities have the same minimum lot-size requirements for all ADUs. When the requirements are not the same, greater lot sizes are required for detached units than for accessory apartments. The model state act (Section 2.H.) allows communities to exempt ADUs from lot density requirements.

The provisions below require the minimum lot size of the underlying zoning district for all types of ADUs, with two exceptions. First, the optimal provision allows ADU apartments to be on lots that are a specified number of square feet — presumably smaller than the zoning district’s minimum lot size. One proponent of ADUs argues that minimum lot sizes may disqualify older homeowners, and others with homes on small lots, from installing ADUs and receiving their benefits (MRSCW 1995, 45). For this reason, the optimal provision below requires that the minimum lot size be met only for accessory cottages, while lots that are a specified size may contain dwellings with accessory apartments.

Second, in the minimal provision, communities must specify the minimum number of square feet of lot size that is eligible for detached ADUs. Some
communities may want this minimum lot size to be more than the minimum lot area required in the zoning district because neighbors are sometimes concerned about overcrowding and the impact of detached ADUs on property values and aesthetics.

Other approaches to dealing with the density of ADUs per land area are mentioned in the note to Section 22 below.

[Optimal provision] ADUs may be developed on lots meeting the minimum lot size for the respective zoning district, except that accessory apartments may be on lots that are [specify number of square feet].

[Favorable provision] ADUs may be developed on lots meeting the minimum lot size for the respective zoning district.

[Minimal provision] ADUs may be developed on lots meeting the minimum lot size for the respective zoning district, except that detached accessory cottages may be developed only if the lot size is [specify number of square feet] or more.


Note: ADUs are generally subject to setback and coverage requirements of zoning ordinances. For this reason, this model ADU ordinance, similar to the Washington model (WOCD 1994), does not separately address this issue. These issues are highly related to aesthetic concerns covered in sections below.


Note: Some neighbors are concerned that allowing ADUs will cause deterioration of neighborhood properties because landlord speculators will buy up houses with ADUs and rent out both units (MRSCW 1995, 28). The fear is that tenants will not maintain the units. A popular way to allay these fears is to require the owner of the lot to reside on the premises — the majority of ADU ordinances contain this requirement (APA 1996). There is evidence that owner occupancy does lead to better maintenance of the premises (Verrips 1983, 70). Not surprisingly, neighbors tend to want the adjacent premises with ADUs to be owner occupied (Town of Babylon, New York 1979, 2). In order for owner occupancy to be most effective in fulfilling the purposes of ADUs, it is important to allow the owner to live in either unit (see the discussion in Section 1.C i. of the model state act. the definition of “Accessory”). Communities often allow homeowners to reside in either the principal unit or the ADU (APA 1996).

The optimal option includes both aspects of owner occupancy — requiring owner occupancy and allowing it in either unit — because both tend to
facilitate the development of new ADUs. For communities that may not feel comfortable allowing the owner to live in either unit, the minimal provision requires the owner to reside in the principal dwelling unit. No favorable provision is recommended.

Many communities monitor ADUs to ensure that the owner still lives on the premises. A variety of methods are used to do this monitoring (see Section 6), including registration of occupants, certification of occupancy, and annual licensing of rental units with annual inspections.

Other communities require ADU owners to record the requirements of the ADU ordinance as deed restrictions, particularly the owner-occupancy requirement. The deed restrictions accompany the title of the property and give notice to all subsequent buyers of the occupancy requirement. Both the optimal and favorable provisions below require this registration.

Various provisions of the model also address the issue of owner occupancy. Those provisions allow and support the requirement that the owner live in the larger or smaller unit (see the discussion in Section 2.E. of the model state act; also see Section 1.A.v. (7) — findings about benefits of owner occupancy — and the definitions of “Accessory” and “Owner-Occupant”). If a community adopts this ordinance but does not have a statute echoing these provisions of the model state act, it may want, with the advice of counsel, to include versions of those provisions in its zoning ordinance.

[Optimal provision] A lot or parcel of land containing an ADU shall be occupied by the owner of the premises, and the owner may live in either the ADU or the principal dwelling unit. Within 30 days of securing approval for construction of an ADU, the owner shall record against the deed to the subject property, a deed restriction running in favor of the municipality limiting occupancy of either the principal dwelling unit or the ADU to the owner of the property. Proof that such a restriction has been recorded shall be provided to the Zoning Administrator prior to issuance of the occupancy permit for the ADU (adapted from WOCD 1994, Application Procedures).

[Favorable provision] None

[Minimal provision] A principal dwelling unit on a lot or parcel of land containing an ADU shall be occupied by the owner of the premises. Within 30 days of securing approval for construction of an ADU, the owner shall record against the deed to the subject property, a deed restriction running in favor of the municipality limiting occupancy of either the principal dwelling unit or the ADU to the owner of the property. Proof that such a restriction has been recorded shall be provided to the Zoning Administrator prior to issuance of the occupancy permit for the ADU (adapted from WOCD 1994, Application Procedures).
11. Occupancy Standards for ADUs.

Note: Limiting eligible occupants of ADUs can keep the number of installations of ADUs down. In a 1996 survey of 50 ADU regulations, 18 percent of the communities limited occupancy of ADUs to persons who were elderly, disabled, or related to the owner (APA 1996). Requiring the occupant to be a relative of homeowner is the most frequent limitation.

Although these policies can have good intentions (e.g., to provide care for the special needs of the owner or occupant), the limitations can discourage investors in ADUs and can cause enforcement problems for communities. In fact, the trend in ADU regulations is away from these types of regulations (MRSCW 1995, 33). A more reasonable and legally defensible approach to occupancy limitations may be requiring a minimum number of square feet of living area of the ADU per person. But in our view, the optimal option is not to have an occupancy standard.

Some communities, however, may insist on this type of limitation; we have provided a favorable provision that, like one county ordinance, limits occupancy only during the ADU’s first three years (Orange County, Fla., Zoning Code Section 38-1426 C (2) a). The community may define the number of persons and characteristics of persons who are eligible occupants (e.g., relatives, older persons, or disabled persons). The three-year limit may serve to encourage investments in ADUs since the owner will be certain of a greater pool of potential occupants after that time.

Finally, we have provided a minimal option that allows the locality to limit the occupancy of an ADU to a specified group. While we do not recommend adoption of such a provision, its inclusion may be the only way to obtain passage of an ordinance. In these cases, it should be viewed as a transitional phase allowing the locality to gain experience with ADUs and leading to further liberalization of the ordinance.

Prior to adopting a provision limiting the occupancy of ADUs, a community should obtain a legal opinion as to whether such a restriction violates the federal Fair Housing Act (42 U.S.C.A. Sec. 3601). Among the groups protected from housing discrimination by this federal law are families with children under 18 years of age.

As previously mentioned, the favorable and minimal options limit the number of occupants. In a recent survey of ADU ordinances, the limitations on the number of persons ranged from two to five, with some communities requiring occupancy by families (APA 1996). The most common limitation on the number of persons occupying an ADU was less than three.
[Optimal provision] None

[Favorable provision] During the first three years after the issuance of a permit for an ADU, the occupants of the ADU shall be limited to [specify] in number and persons who are [specify eligibility criteria].

[Minimal provision] The occupants of the ADU shall be limited to [specify] in number and persons who are [specify eligibility criteria].

12. Principal Dwelling Unit Building Standards - Minimum Floor Area.

Note: Some communities do not want smaller houses to have a related ADU because the ADU may be dominant and inconsistent with the single-family character of a neighborhood. Communities sometimes set a minimum size for the principal dwelling unit as an eligibility requirement for constructing an ADU. While a recent survey of 50 ordinances did not reveal any communities that took this approach (APA 1996), the survey did find that communities often regulate the relative sizes of the ADU and the principal unit by setting maximums on ADUs in terms of percentage of the living space of the principal dwelling or a maximum floor area size for the ADU, or both. Setting a minimum size on principal units as an eligibility requirement for an ADU is not recommended; it is better to deal with the issue of consistency with single-family character by limiting the size of the ADU in terms of a percentage of the principal dwelling unit (See Section 17 below.)

13. Principal Dwelling Unit Building Standards - Age.

Note: This section addresses the question of how soon an ADU can be installed after the principal dwelling is constructed. The discussion assumes that the ADU being built is an accessory apartment. Accessory cottages built with new houses would create the greatest amount of political resistance (more than accessory apartments), raising concerns about the single-family zone being converted to a duplex zone.

Regulations that require houses to be a certain age before becoming eligible for an ADU are adopted out of homeowners’ concern that too many ADUs will overwhelm the neighborhood. The specific concern is that houses will be designed and marketed with ADUs if new houses can have them. ADUs should not be allowed in new houses, opponents say, because the intent behind them is to use the existing housing stock (MRSCW 1995, 47). To address this issue, communities sometimes set limits on how quickly ADUs can be built, based on the age of the principal dwelling units. (Even more rarely, communities use ADUs to revitalize only older neighborhoods and require the principal dwelling to be built before a certain date, such as 1976. (See Hamden, Conn., Zoning Regulations (1996) and Hare 1981, 14).
An age limitation on the principal dwelling unit will reduce the number of ADUs developed, and the optimal provision allows buildings of any age to be eligible for an ADU. The favorable provision would not permit ADUs in buildings completed in the last three years. As a minimal provision, the principal dwelling unit is eligible for an ADU after it is a specified number of years old. The age required for the principal dwelling unit is generally from two to five years (APA 1996). If a community does allow ADUs in new houses, as in Section 7, it would, of course, be contradictory to base eligibility for an ADU on the age of the principal dwelling or how long it has been owned, as in some provisions in Sections 13 and 14.

[Optimal provision] An ADU may be developed in either an existing or a new dwelling unit (WOCD 1994, Sec. A.7.).

[Favorable provision] An ADU may be developed in a dwelling unit that has been completed for at least three years.

[Minimal provision] An ADU may be developed in a dwelling unit that has been completed for at least [specify] years.

14. Principal Dwelling Unit Building Standards - Term of Ownership.

Note: Requirements concerning the term of ownership are similar to those regarding the age of the principal dwelling. They deal with the question of how long the principal dwelling must be owned by the current owner before an ADU can be constructed. Neighbors can raise the concern that speculators will buy houses simply to install an ADU. Advocates for ADUs point out that term of ownership requirements bar first-time buyers from using ADU rental income to defray house mortgage or maintenance costs (MRSCW 1995, 48). Also, requiring that the principal dwelling or the ADU be owner occupied is an effective protection against speculation. As with restrictions on the age of the principal dwelling, we do not recommend term-of-ownership requirements. Requiring home ownership for a specified number of years is the minimal provision.

[Optimal provision] An ADU may be developed in either an existing or a new dwelling unit (WOCD 1994, Sec. A.7.).

[Favorable provision] None

[Minimal provision] An ADU may be developed in a dwelling unit that has been owned at least [specify] years by its current owner.
15. ADU Building Standards - Architectural Design and Types of Structures.

Note: This section and the remaining sections on building standards govern the appearance of accessory cottages. Homeowners adjacent to ADUs are sometimes concerned that ADUs will erode the single-family charm of their neighborhood, and ADU ordinances commonly address many appearance issues (APA 1996), such as type of structure, architectural design, maximum size, minimum size, and whether the ADU is subordinate to the principal unit.

This section specifically deals with the type of structure (mobile home, site-built dwelling, or manufactured housing) that can be used as an ADU. It also addresses whether the ADU must be architecturally consistent with the principal unit and whether it must be consistent in appearance with a site-built single-family residence. The optimal provision maximizes the opportunities for ADUs by allowing any type of structure to be an ADU if that structure is allowed as a principal unit in the zoning district. No other appearance requirements are placed on ADUs in the optimal provision. The favorable provision is more restrictive by allowing manufactured houses to be ADUs only if they are allowed in the zone and are consistent with the appearance of a single-family residence. The minimal provision adds to the favorable provision the requirement that the ADU must be consistent with the building type of the principal dwelling unit.

[Optimal provision] A mobile home or manufactured dwelling unit may be used as an ADU in any zone in which dwelling units are permitted (adapted from WOCD 1994, Section 9).

[Favorable provision] A manufactured dwelling unit may be used as an ADU in any zone where that type of structure is permitted if the appearance of the same remains that of a site-built, single-family dwelling unit (WOCD 1994, Section 9).

[Minimal provision] A manufactured dwelling unit may be used as an ADU in any zone where that type of structure is permitted if the proposed ADU is consistent with the building type of the principal unit and the appearance of the ADU remains that of a site-built, single-family dwelling unit (WOCD 1994, Section 9).

16. ADU Building Standards - Orientation of Entrance.

Note: Many ADU regulations focus on the entrance of the ADU as an aesthetic concern. Most communities discourage or prohibit entrances from being constructed on the front of principal buildings. Thus, entrances and particularly stairways are limited to side or rear yards. When a front entrance is required for physical or cost reasons, communities often demand that the front entrance to the principal dwelling must double as the entrance to both units. The options below vary in how strictly entrances and stairways are regulated. The optimal provision requires ADU entrances to be less visible than principal dwelling unit entrances, and stairways may not be on the front
of the principal dwelling unit. The favorable and minimal provisions are similar, in that both require ADU entrances not to be visible from the street view and limit ADU stairways to the rear of principal dwelling units. While the favorable provision allows ADUs to share a front entryway with the principal dwelling unit, the minimal provision does not.

[Optimal provision] If the ADU’s primary entrance is not the same as that for the principal dwelling unit, it shall be less visible from the street view of the principal dwelling than the main entrance of the principal dwelling unit (adapted from WOCID 1994, Section A.10.), and the ADU’s stairways may not be constructed on the front of the principal dwelling unit.

[Favorable provision] The ADU’s primary entrance shall be not visible from the street view of the principal dwelling, and the ADU’s stairways may not be constructed on the front or side of a principal dwelling unit.

[Minimal provision] No entrance for an ADU shall be permitted on, or from the front of a principal dwelling unit; the ADU’s primary entrance shall be not be visible from the street view of the principal dwelling unit; and the ADU’s stairways may not be constructed on the front or side of a principal dwelling unit.

17. ADU Building Standards - Size.

Note: This section deals with a number of issues related to the size of the ADU. The intentions of communities in setting size limitations are commonly to require the ADU to be subordinate to the principal dwelling unit, to control neighborhood density, and to control visual impacts.

The standards of this section set minimums on the ADU square footage and maximums on the total square footage and number of bedrooms of the ADU. A common minimum size requirement for an ADU is 300 square feet; a frequent maximum on number of bedrooms is two; and the maximum size for ADUs falls in the range of 600 to 1,200 square feet, with 800 square feet occurring most often as a maximum size (APA 1996).

This model local ordinance does not directly require the ADU to be subordinate to the principal unit but does so indirectly by setting the maximum floor space of the ADU as a percentage of the living area of the principal unit. Advocates for ADUs point out that less affluent homeowners in smaller houses may not qualify to build an ADU if their house is too small (MRSCW 1995, 30). For example, if the ADU may not be larger than 30 percent of the living area of the principal unit but may not be smaller than 300 square feet, a homeowner with a living area of only 900 square feet could not have an ADU (270 square feet is 30 percent of 900 square feet, and less than the minimum required size of 300 square feet). For this reason, the favorable and minimal provisions below raise the maximum percentage to 40 percent of the living space of the principal unit. Such a maximum percentage
is not unusual (APA 1996). Communities wanting to be more strict than the minimal option can change the percentage after determining that greater limitations are needed to protect the public interest. The maximum size of an ADU in the optimal provision is 1,200 square feet and 800 square feet in the minimal provision. (The maximum ADU size allowed in a recent survey of 50 ADU ordinances was 1,200 square feet [APA 1996].)

No alternative is listed as the optimal option. Size can be limited by other regulations. The Uniform Building Code (Sections 1207 and 1208), for example, contains a minimum size for efficiency units. Similarly, lot coverage maximums and minimum lot sizes limit the size of accessory cottages. Health codes can also limit the number of bedrooms in an ADU.

[Optimal provision] None

[Favorable provision] In no case shall an ADU be more than 40 percent of the living area of a principal dwelling unit, nor more than 1,200 square feet, nor less than 300 square feet, nor have more than two bedrooms (adapted from WOCD 1994, Section A.8.).

[Minimal provision] In no case shall an ADU be more than 40 percent of the living area of a principal dwelling unit, nor more than 800 square feet, nor less than 300 square feet, nor have more than two bedrooms (adapted from WOCD 1994, Section A.8.).

18. ADU Building Standards - Not Intended for Sale.

Note: An argument of opponents to ADUs is that the owners will eventually sell them off as condominiums. While this can create double owner occupancy of the premises, it can also result in the premises being occupied only by tenants. Thus, the opponents are concerned that the premises will not be as well maintained as owner-occupied premises. Opponents also warn that turning some ADUs into condominiums makes their fear of a neighborhood of duplexes a reality. The California ADU statute has a “not intended for sale” standard (Cal. Gov't Code Section 65852.2(b)(1)(A)), and communities occasionally impose similar requirements (APA 1996).

One concern, however, is that if a community voids an ADU permit because the ADU has been sold for a condominium, a court may reverse the community action on the basis that zoning can regulate land use but not types of land ownership (Ziegler 1995, 56A-11 and 56A-12). Before adopting this standard, legal counsel should be consulted because courts are also reluctant to uphold regulations that may limit property owners’ ability to sell their land. Since this standard basically addresses the concerns of neighbors, it is listed below as a minimal option.
[Optimal provision] None

[Favorable provision] None

[Minimal provision] The ADU shall not be intended for sale and may be rented (adapted from Cal. Gov't Code Section 65852.2(b)(1)(A)).

19. ADU Building Standards - Screening and Orientation.

Note: Privacy is at the heart of neighbors' fears about being overrun by ADUs. This standard protects neighbors' privacy by giving the permit issuer a number of factors to consider, and the ADU homeowner a variety of options, that can be used to honor any adjacent landowner's privacy. While it could be argued that this standard balances the neighbors' and the ADU owners' interests, many owners are likely to view it as inconvenient or even onerous. Such a standard is relatively rare and is listed as a minimal option because it focuses more on the neighbors' concern over the visual or privacy impacts of ADUs.

[Optimal provision] None

[Favorable provision] None

[Minimal provision] The orientation of the proposed ADU shall, to the maximum extent practical, maintain the privacy of residents in adjoining dwellings as determined by the physical characteristics surrounding the ADU, including landscape screening, fencing, and window and door placement (adapted from City of Olympia, Washington, Unified Development Code, Section 18.04.060 1.b. 1995).


Note: Because of the average drop in household size, traffic is not generally a problem with ADUs. Most neighborhoods that house ADUs were designed for families that would generate more traffic than today's actual occupancy levels (Yerrips 1983, iv; Gellen 1985, 151-152). For this reason, we recommend no standards for controlling traffic. Communities that are concerned about traffic may want to deal with it under density controls, as discussed in Section 22 below.

The issue of parking, however, is more complicated. Parking standards are one of the most frequent concerns (Hope 1996), and one expert views parking as the most difficult issue (Hare 1989, 24). Not surprisingly, communities tend to require too many parking spaces, making parking requirements one of the major obstacles to increasing the number of new ADUs (CHCD 1989, VIII-13). For example, in a 1996 survey of local ADU ordinances (APA 1996), 4 of the 50 surveyed communities required up to three spaces per ADU. But in
suburban communities where hilly terrain does not limit parking on sites or streets, ADUs will not cause parking problems (Verrips 1983, 83).

In addition, there is a reluctance in many communities to allow tandem parking (one vehicle in front of the other in a driveway) and to allow parking in setback areas even when that is a normal practice in a neighborhood. Advocates of ADUs emphasize that single-family homes with teenagers can generate as much or more traffic, and the need for parking is often minimal as ADUs are frequently occupied by "empty nesters" and single persons who have fewer cars or no car (MRSCW 1995, 38 and 39).

The controversy over parking illustrates that communities vary tremendously in terms of physical conditions and parking norms. These norms vary from cars being invisible to cars being ubiquitous, including tandem parking, parking on sideyard parking pads, and curb parking (Gellen 1989, 172). Neighbors often vary in how much curb parking they think can be allowed before they see the neighborhood streets as overcrowded. Because neighborhoods have different standards, a performance approach is needed, allowing flexibility rather than a set rule that ignores the variety of circumstances (Gellen 1989, 172).

The optimal provision limits the number of spaces that can be required, while the favorable provision allows a flexible approach because more than one parking space may be required under certain conditions. Both of these options are consistent with the model state act, whereas the minimal provision is not. The minimal option is required by some communities. However, it focuses on neighbors' concerns and creates difficulties for owners of ADUs because it does not allow parking in setbacks, tandem parking, or on-street parking. In addition, this requirement may be more onerous than parking requirements for the principal dwelling unit. (An assumption related to these standards is that there is only one ADU per principal dwelling unit.)

[Optimal provision] One parking space is required per ADU if:
   a. the same requirement exists for the principal dwelling unit;
   b. no other parking spaces are available in side or rear yards, by tandem parking, or on-street parking; or
   c. the use of the ADU will create the need for an additional parking space.

[Favorable provision] One parking space is required per ADU.
   a. Additional parking may be required, provided that:
      1. the Zoning Administrator finds that the additional parking requirements are directly related to the use of the ADU; and
      2. the total number of parking spaces required for an ADU does not exceed the number of spaces required for a principal dwelling unit.
b. The Zoning Administrator may permit off-street parking in setback areas or through tandem parking if the off-street parking:
   1. would not block access by emergency vehicles to the principal dwelling unit or ADU; and
   2. is permitted and occurs in the neighborhood (adapted from Cal. Gov’t Code Section 65852.2(e)).

[Minimal provision] Two off-street parking spaces are required for each ADU.


Note: The adequacy of water and sewer service to ADUs is generally not an issue because ADUs, rather than creating undue burdens, usually result in more efficient use of these services (MRSCW 1995, 50). Nevertheless, an ADU ordinance standard for water and sewer services should exist if current services are near capacity or ADUs add more bedrooms to the principal dwelling unit. Public health issues are generally addressed through regulations other than zoning, but an ordinance standard can require the homeowner developing the ADU to provide proof of conformance to public health regulations. We consider this standard to be necessary for the benefit of ADU owners and the neighbors. All three options contain this requirement.

The minimal option contains an additional requirement. Because of aesthetic concerns, communities sometimes require only one electrical and one water meter per principal dwelling unit. Three communities were found to have this requirement in a recent study of 50 ADU ordinances (APA 1996). Minimizing the meters on the exterior of a building is designed to support the owner-occupancy requirement and to maintain the appearance of single-family rather than two-family houses (MRCSW 1995, 50).

[Optimal provision] Applicants for ADU permits must supply the Zoning Administrator with certification by the municipal health official that the water supply and sewage disposal facilities are adequate for the projected number of residents (adapted from WOCD 1994, Section A. 2.).

[Favorable provision] [Same as optimal provision]

[Minimal provision] Applicants for ADU permits must supply the Zoning Administrator with certification by the municipal health official that the water supply and sewage disposal facilities are adequate for the projected number of residents. In addition, only one electrical and one water meter shall be allowed to serve the principal dwelling unit and the ADU (latter sentence adapted from Edmonds, Washington, Community Development Code, Section 20.21.030 C. 1996).
22. Density Limits.

Note: Restrictions on density are designed to reduce the number of ADUs in order to minimize their projected effects on the neighborhood. Density controls may also be put in place to avoid an accumulation of ADUs in the same area or to distribute ADUs evenly through an area (MRSCW 1995, 46).

A wide range of methods are used to limit density of ADUs, including:

- quotas on the total number of ADU permits before an ADU ordinance is repealed;
- quotas on the number of permits issued before an ADU ordinance is reviewed;
- periodic reviews of ADU ordinances to evaluate the number of permits issued;
- limitations on the number of ADUs per area (e.g., by block or census tract);
- restrictions on the number of ADUs as a percentage of the residences in an area; and
- spacing requirements between ADUs.

Advocates of ADUs may argue, however, that density rules reduce the number of ADUs unjustifiably. When the infrastructure in single-family neighborhoods is underutilized, why is it fair to say “no” to one homeowner applying to create an ADU simply because another homeowner in the area has already installed an one? Justifying the density control may be even harder if the homeowner with the ADU permit originally installed it illegally and now is issued the permit to legalize wrongdoing.

But density controls may be an essential political tool in some communities. Guarantees that neighborhoods will not be overrun by ADUs may increase support for an ADU ordinance in a community. For this reason, density controls are suggested as the minimal provision. Density limits for ADUs are not recommended as optimal options because the controls are hard to justify.

The favorable provision calls for annual reporting. This reporting can trigger a reconsideration of the ordinance if density thresholds are exceeded. This option is considered favorable because its effect, rather than vetoing an application for an ADU, is to cause a review of the ordinance for amendments to the ADU ordinance. We want to emphasize that this review calls for “amendments” rather than repeal of the ordinance.

[Optimal provision] None

[Favorable provision] The Zoning Administrator shall report annually to the municipal legislative body the number of units established, the geographic distribution of the units, the average size of the units, the number and type of complaints, and completed enforcement actions. The municipal legislative body shall reassess this ordinance for amendments every [specify number] years or sooner if records show that 20 percent of the single-family
structures within any census tract or citywide have ADUs (adapted from Tacoma, Wash., Municipal Code, Section 13.06(B)(8) (1996) in MRSCW 1995, 58).

[Minimal provision - choose one of the following four options] No applications for ADUs may be accepted in census tracts or areas if granting the permit would cause the percentage of single-family units with ADUs of any single-family zone in one census tract to exceed 20 percent (adapted from Seattle, Washington, Section 23.44.025, Seattle Municipal Code in MRSCW 1995, 46).

[or]

A permit for an ADU may be issued if not more than 10 percent of the existing single-family units within 1,000 feet of the proposed ADU contain existing ADUs (adapted from South Winsor, Connecticut, Section 4.7.1.g., Zoning Ordinance 1990).

[or]

A permit for an ADU may be issued if not more than [specify number] permits have been issued for ADUs over the three-year period since the adoption of these regulations (adapted from Hamden, Connecticut, Section 701 m., Zoning Regulations 1996).

[or]

The Zoning Administrator may issue a permit for an ADU if the total number of permits has not exceeded [specify number]. When this number is exceeded, the Zoning Administrator shall report to the municipal legislative body that the number is exceeded, and that body shall review the ADU ordinance for its continuance, amendment, or repeal.

23. Legalizing ADUs.

Note: An illegal ADU is one that was installed without obtaining the required permits from the local government. Some ADUs may have existed prior to any ordinance making them illegal. Those ADUs can become legal, nonconforming ADUs if they initially conformed to all public laws. However, ADUs installed after zoning regulations were adopted are illegal unless permits were obtained from the local government. After permits are available for ADUs, illegal ADUs may actually be encouraged by harsh regulations, excessive fees, and tedious application procedures. Illegal ADUs are quite common because of the pressure for affordable housing and the reluctance of many communities to legalize ADUs.

A goal of some communities that are more familiar with these issues is to legalize the illegal ADUs for safety reasons. But many ADU owners strongly resist legalization out of their fear of higher property taxes, legal sanctions, income taxes on rental income, the costs of conforming to local codes, and the possibility that code inspectors will discover a variety of code violations.
(Gellen 1985, 187-191). For these reasons, programs to accommodate illegal ADUs have not been very successful (Gellen 1985, 188). In addition, most communities have limited budgets for enforcing ADU regulations, meaning that code enforcement relies on specific complaints. Thus, most communities simply ignore illegal ADUs.

A variety of approaches, however, are available to deal with illegal ADUs. First, we recommend not having harsh regulations, lengthy application processes, or high fees that will create even more illegal ADUs. In addition, the model ordinance includes the following approaches: amnesty periods from enforcement, long time periods to comply with regulations, an exemption from all but safety regulations, and the threat of stiff penalties after all else has failed. While there appears to be no optimal or even favorable provision for a community living with numerous illegal ADUs, we do suggest a minimal provision below that includes several of the above options.

Some benefits accrue to communities that legalize illegal ADUs. If illegal units are tolerated, the risk is increased that other people will be encouraged to have illegal units. In this instance, it can be quite important for community leaders to make the statement through their ADU regulation that they are committed to the public interest by requiring owners of illegal ADUs to come forward and legalize their units. Furthermore, legalizing the illegal ADUs provides the opportunity to correct dangerous safety hazards (such as inadequate electrical wiring). With these benefits in mind, we suggest the minimal provision for legalizing ADUs below.

[Optimal provision] None

[Favorable provision] None

[Minimal provision] Any existing illegal ADU will not be subject to any enforcement action if an application to legalize the ADU is submitted within [specify number] months of the adoption of these regulations (adapted from a 1995 draft of Village of Scarsdale, New York, Zoning Code 1995).

[or]
Owners of illegal ADUs shall be guilty of a misdemeanor and subject to a penalty of [specify the maximum allowed by law]. Any existing illegal ADU will not be subject to any enforcement action if:

1. The ADU owner applies for a permit to legalize the illegal ADU permit within [specify] months of the adoption of these regulations;

2. The ADU complies with the minimum requirements of the Uniform Building Code, Section 1208, within [specify] months of the date of applying for a permit under this Section (adapted from Mercer Island, Washington, Section 19.04.0607(D); MRSCW 1995, 45);

3. The ADU complies with the minimum housing code standards within [specify] months of the date of applying for a permit under this Section of the ordinance (adapted from Tacoma, Washington, Section 13.06.196(C)(11) Code, MRSCW 1995, 44); and

4. The ADU owner supplies the Zoning Administrator with certification by the municipal health official that the water supply and sewage disposal facilities are adequate for the ADU (adapted from WOCD 1994, Section A.2.).
REFERENCES


8. DPDL (Department of Planning and Development, Planning Division, City of London, Province of Ontario) 1995. *Intensification and Bill 120, Impacts on the North London and Broughdale Communities*. City of London, Ontario: Department of Planning and Development, Planning Division.


RESOURCE GUIDE

Overviews


"How-To" Guides for Homeowners

Town of Babylon, New York. Accessory Apartment Application.


AVAILABLE FROM: Jeremy Novak, Program Manager, Home Improvement Loan Program, Department of Housing and Community Development, 3700 Pender Drive, Suite 300, Fairfax, VA 22030. 703-246-5152. Free.

Ontario Ministry of Municipal Affairs and Housing. How to Create An Accessory Apartment. 1988. (20 pages)

Ontario Ministry of Municipal Affairs and Housing. Step-by-Step Guide To Adding A Rental Apartment In Your Home. 1990. (32 pages)

AVAILABLE FROM: Ministry of Municipal Affairs and Housing, 777 Bay St., 2nd Floor, Toronto, Ontario M5G 2E5. 416-585-7041. Free.
Parking Studies and Approaches


AVAILABLE FROM: School of Urban and Regional Planning, Queen’s University at Kingston, Kingston, Ontario. In case of difficulty in obtaining this document, it may be available on loan from Patrick H. Hare Planning and Design. 202-269-9334.


AVAILABLE FROM: Ministry of Municipal Affairs and Housing, 777 Bay St., 2nd Floor, Toronto, Ontario M5G 2E5. 416-585-7041. Free.

Neighborhood Impact


AVAILABLE FROM: Ministry of Municipal Affairs and Housing, 777 Bay St., 2nd Floor, Toronto, Ontario M5G 2E5. 416-585-7041. Free.

Studies of Homeowners and Tenants


Installation Rates

Hare, Patrick H. *Accessory Units: The State Of The Art; Report IV Survey of Installations of Accessory Units in Communities Where They Are Legal*. 1989. (30 pages)


**Counseling and Marketing**


AVAILABLE FROM: Ministry of Municipal Affairs and Housing, 777 Bay St., 2nd Floor, Toronto, Ontario M5G 2E5. 416-585-7041. Free.

**Politics of Zoning Approval**


AVAILABLE FROM: Ministry of Municipal Affairs and Housing, 777 Bay St., 2nd Floor, Toronto, Ontario M5G 2E5. 416-585-7041. Free.


AVAILABLE FROM: Municipal or university libraries.

**Accessory Apartments and Home Buyers**


AVAILABLE FROM: Ministry of Municipal Affairs and Housing, 777 Bay St., 2nd Floor, Toronto, Ontario M5G 2E5. 416-585-7041. Free.

**Accessory Apartments and New Homes**


AVAILABLE FROM: Municipal or university libraries.


AVAILABLE FROM: Canadian Housing Information Centre, Canada Mortgage and Housing Corporation. 1-800-668-2642. $5.95 plus tax and shipping.

**Detailed Zoning Studies**


AVAILABLE FROM: Municipal or university libraries.


AVAILABLE FROM: Patrick H. Hare Planning and Design, 1246 Monroe St., NE, Washington, DC 20017. 202-269-9334. Price: $45, add $5 if the order must be invoiced.


AVAILABLE FROM: Municipal or university libraries.

**Using Accessory Apartments to Increase Density Near Transit**


AVAILABLE FROM: Canadian Housing Information Centre, Canada Mortgage and Housing Corporation, Building C-200, 700 Montreal Road, Ottawa, Ontario K1A 0P7. 613-748-2367. Free.

AVAILABLE FROM: Ministry of Municipal Affairs and Housing, 777 Bay St., 2nd Flocr, Toronto, Ontario M5G 2E5. 416-585-7041. Free.

The prices provided above are correct to our best available information at the time of printing. You will note that most documents available through public agencies are free, while those available from private sources reflect the time and effort in preparing those documents.
Memorandum

To: Honorable Mayor and Members of the City Council

From: Erika Storlie, Assistant City Manager/Acting Community Development Director
Scott Mangum, Planning and Zoning Administrator
Sarah Flax, Housing and Grants Administrator
Savannah Clement, Housing Policy and Planning Analyst

Subject: Steps Toward Homeownership – Special Use for Small Lot Housing

Date: April 25, 2018

Recommended Action:
Staff recommends consideration of developing a Special Use process that would enable developers to propose the construction of modest-size homes on smaller lots than currently allowed by our zoning. This process would enable the development of “starter” homes affordable to first-time homebuyers and less affluent residents by reducing the land cost associated with the development of a single family home. It would also allow non-conforming parcels throughout our community that are currently undevelopable based on zoning to be put into productive use.

Funding Source:
NA

Livability Benefits:
Built Environment: Support housing affordability; provide compact and complete streets and neighborhoods; and

Equity & Empowerment: Ensure equitable access to community benefits, and support poverty prevention and alleviation.

Discussion:
Currently Evanston single family zoning districts have relatively large minimum lot size (7,200 SF in R1 and 5,000 SF in R2) and minimum lot width (35 feet in both R1 and R2) requirements for one primary dwelling unit. This limits density and drives up housing costs. New ownership opportunities for moderate and middle income households (80-120% of the area median income) could be developed by encouraging moderately-sized single family homes on smaller or narrower lots. A developer would propose a plan for a specific site that would be evaluated individually as a Special Use by the Zoning Board.
of Appeals and City Council. Some parameters, such as size limits to the homes, could be used to help maintain affordability. Affordability restrictions at initial purchase and at resale through a land trust or deed restrictions should be considered to maintain long-term or permanent affordability. A recommendation could be developed for consideration by the Plan Commission.

The vacant double lot at 2122 Darrow Avenue that was acquired through the City’s Neighborhood Stabilization Program 2 could be a pilot site for this program and an RFP could be issued for its redevelopment to generate interest among developers. This would support homeownership opportunities for households with incomes ≤ 120% of the area median who are finding it increasingly difficult to purchase a home in Evanston. The property is zoned R4 and a four-flat could be constructed by right. However, current zoning does not allow for multiple detached homes on the site.

This program is another tool for expanding affordable housing options in Evanston and staff seeks direction to implement a pilot or examine other options.
Memorandum

To: Honorable Mayor and Members of the City Council

From: Hitesh Desai, Chief Financial Officer/Treasurer
Ashley King, Finance and Budget Manager
Kate Lewis-Lakin, Senior Management Analyst

Subject: Update on Priority-Based Budgeting Process

Date: April 30, 2018

Recommended Action:
Staff recommends Council accept and place on file the update on the priority-based budgeting process and direct staff to move forward with the public outreach portion of the process.

Livability Benefits:

Summary:
Staff will give a presentation to City Council on work done so far in the priority-based budgeting process and plans for the public outreach phase of the process.

Background:
At the March 19 City Council meeting, staff presented a plan for a priority-based budgeting process. The first steps involved a process by which City staff would internally list and then numerically score all programs and services provided by the City.

Two sets of measures were used to score programs at this stage in the process. The first set was Basic Program Attributes. These were first scored by the departments and then reviewed for accuracy by the Finance and Law Department staff. These measures captured metrics including whether a program was mandated to be provided by the state or federal government and its level of internal cost recovery. Details of these measures are included in Attachment A - PBB Scoring Guidelines.

The second set of measures was City Council Goals. For this set, staff rated programs based on their relevance to the 2018 City Council goals of: Infrastructure and Facilities, Community Development and Job Creation, Affordable Housing, Police and Community Relations, Stabilize Finances, and Equity. A program with a high score under one of these goals was considered to be crucial to achieving the goal; low scores reflect low relevance to the goal. Further detail on how these goals were evaluated is included in Attachment A. These ratings were discussed and decided upon by an interdepartment
team, which included staff members from every department and looked at the full list of programs.

Results of Staff Process
The result of this staff process is a ranked list of about 150 programs from all City Departments. These are ranked based on the total of all 10 measures used. For example, a highly ranked program is likely to be required to be provided, recover its costs, and be relevant to achieving multiple City Council goals. This full list of 150 programs with scores is included as Attachment B – Full Program List.

Staff intends to use this full list to come to a list of about 50 programs that can be the focus of the public outreach process and considered for changes during the upcoming 2019 budget process. In order to accomplish this, staff focused on the bottom half of programs in the ranked list, setting aside the top half for this portion of the conversation.

From these 78 programs, staff recommends separating 24 programs from discussion that are required to be provided in some way by the City, but could be considered for higher fees or consolidation with other services. These programs are:

<table>
<thead>
<tr>
<th>Dept.</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>CD</td>
<td>Stormwater Plan Review</td>
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<tr>
<td>PWA</td>
<td>Street and Alley Maintenance/Repairs, Sidewalk and Curb Maintenance</td>
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<tr>
<td>AS</td>
<td>Facilities Management - Emergency Management Services</td>
</tr>
<tr>
<td>AS</td>
<td>Facilities Management - Preventative Maintenance</td>
</tr>
<tr>
<td>CMO</td>
<td>Revenue and Collections - Home rule taxes</td>
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<tr>
<td>CMO</td>
<td>Revenue and Collections - Online payments</td>
</tr>
<tr>
<td>CMO</td>
<td>Revenue and Collections - Over the Counter payments</td>
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<tr>
<td>AS</td>
<td>Facilities Management - In-House Construction Projects</td>
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<tr>
<td>PWA</td>
<td>Street Sweeping</td>
</tr>
<tr>
<td>PWA</td>
<td>Leaf Pickup and Disposal</td>
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<tr>
<td>Fire</td>
<td>Specialized Rescue Operations</td>
</tr>
<tr>
<td>AS</td>
<td>Fleet Services - Vehicle Replacement Planning and Purchasing</td>
</tr>
<tr>
<td>PWA</td>
<td>Pavement Marking</td>
</tr>
<tr>
<td>PWA</td>
<td>Streetlight, Traffic Signal and Sign Maintenance and Repairs</td>
</tr>
<tr>
<td>AS</td>
<td>Human Resources - Benefits Administration</td>
</tr>
<tr>
<td>PWA</td>
<td>City Properties Landscaping and Snow/Ice Control</td>
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<tr>
<td>PWA</td>
<td>Snow and Ice Control</td>
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<tr>
<td>AS</td>
<td>Fleet Maintenance</td>
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<tr>
<td>AS</td>
<td>Payroll</td>
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<tr>
<td>CD</td>
<td>Right of Way Permits</td>
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<tr>
<td>Health</td>
<td>West Nile tracking - grant funded</td>
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<tr>
<td>Health</td>
<td>Beach/Water Quality monitoring</td>
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<tr>
<td>CMO</td>
<td>Pension Administration</td>
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<tr>
<td>CMO</td>
<td>State mandated boards, commission, and committee administration</td>
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</table>

With these removed, 54 programs remain, all of which are mandated only by City Code or not required at all. Staff recommends that these 54 programs become a primary focus of the public outreach process to take place in May.
<table>
<thead>
<tr>
<th>Dept.</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRCS</td>
<td>City-Sponsored Special Events</td>
</tr>
<tr>
<td>CD</td>
<td>Contractor Licensing</td>
</tr>
<tr>
<td>PRCS</td>
<td>Athletic programming</td>
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<tr>
<td>Health</td>
<td>Community Health</td>
</tr>
<tr>
<td>PRCS</td>
<td>Summer Food Program/Child Nutrition Program/Congregate Meal Program</td>
</tr>
<tr>
<td>CD</td>
<td>Divvy Bikes</td>
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<tr>
<td>PRCS</td>
<td>Community Services/Youth Engagement</td>
</tr>
<tr>
<td>PRCS</td>
<td>Gibbs-Morrison Cultural Center</td>
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<tr>
<td>PRCS</td>
<td>Noyes Cultural Arts Center</td>
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<tr>
<td>PRCS</td>
<td>Indoor/Outdoor Recreation Programs</td>
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<tr>
<td>PRCS</td>
<td>Summer Camps</td>
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<td>PWA</td>
<td>Sports Field Maintenance</td>
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<tr>
<td>PRCS</td>
<td>Special Recreation Programs</td>
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<tr>
<td>CD</td>
<td>Long-range planning (comprehensive plan, area plans)</td>
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<tr>
<td>PRCS</td>
<td>Cultural Arts Programs</td>
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<tr>
<td>PWA</td>
<td>Special Assessment Alley Improvements</td>
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<tr>
<td>CD</td>
<td>Storefront Modernization Program</td>
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<tr>
<td>PRCS</td>
<td>Fleetwood-Jourdain Theater</td>
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<tr>
<td>PWA</td>
<td>Tree Preservation Permit Issuance and Enforcement</td>
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<tr>
<td>CD</td>
<td>Business Licensing</td>
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<tr>
<td>PWA</td>
<td>50/50 Sidewalk Program</td>
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<tr>
<td>PRCS</td>
<td>Certificate of Rehab Programs</td>
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<tr>
<td>CMO</td>
<td>Tax Assessment Advocacy</td>
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<tr>
<td>PWA</td>
<td>Special Refuse Pickups</td>
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<tr>
<td>PWA</td>
<td>Permits for Block Parties, Moving Vans and Dumpsters</td>
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<tr>
<td>CMO</td>
<td>Administrative Adjudication</td>
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<tr>
<td>CD</td>
<td>Sign Permits and Inspection Services</td>
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<tr>
<td>Fire</td>
<td>Public Education/Community Engagement</td>
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<tr>
<td>PRCS</td>
<td>Recreation Center Bus Program</td>
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<tr>
<td>AS</td>
<td>School Crossing Guards</td>
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<tr>
<td>Health</td>
<td>Vital Records - Birth and Death Certificates</td>
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<tr>
<td>PWA</td>
<td>Lakefront and Beach Maintenance and Cleaning</td>
</tr>
<tr>
<td>CMO</td>
<td>Community Arts Administration</td>
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<tr>
<td>CMO</td>
<td>Revenue and Collections - Passport</td>
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<tr>
<td>PWA</td>
<td>Annual Dredging for Boat Launch and Harbor</td>
</tr>
<tr>
<td>PWA</td>
<td>Twice Annual Bulk Pickups</td>
</tr>
<tr>
<td>PWA</td>
<td>Business District and Park Refuse Pickup and Disposal</td>
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<tr>
<td>Health</td>
<td>Social Services (Victim Advocacy)</td>
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<tr>
<td>CD</td>
<td>Historic Preservation Review</td>
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<tr>
<td>PWA</td>
<td>Dutch Elm Disease Control</td>
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<tr>
<td>CD</td>
<td>Mental Health Board</td>
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<tr>
<td>PWA</td>
<td>Public Art Installation Support</td>
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<tr>
<td>AS</td>
<td>Human Resources - Training</td>
</tr>
<tr>
<td>PWA</td>
<td>Special Event Support</td>
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<tr>
<td>PRCS</td>
<td>Subsidized Taxi Cab Coupon program</td>
</tr>
<tr>
<td>CMO</td>
<td>Boards, commission, and committee administration by resolution/ordinance</td>
</tr>
<tr>
<td>PWA</td>
<td>Engineering for Parks and Facilities Projects</td>
</tr>
<tr>
<td>CMO</td>
<td>Revenue and Collections - Real Estate Transfer Stamps</td>
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<tr>
<td>CMO</td>
<td>Revenue and Collections - Wheel Tax</td>
</tr>
<tr>
<td>PWA</td>
<td>Bike Infrastructure Maintenance</td>
</tr>
<tr>
<td>PWA</td>
<td>Tree Trimming, Removal and Planting, and Evaluations</td>
</tr>
<tr>
<td>Police</td>
<td>Police Building maintenance</td>
</tr>
<tr>
<td>PWA</td>
<td>Playground Equipment Maintenance and Repairs</td>
</tr>
<tr>
<td>Health</td>
<td>Vacation Rental Permit and Administration (Airbnb)</td>
</tr>
</tbody>
</table>
Public Outreach Process
After the April 30 City Council meeting, staff plans to go to the community to ask for public input on the 54 programs listed above. Residents will be asked to choose from this list the 10 most important programs they believe the City provides, and then the 10 least important programs. There will also be an opportunity to name other high and low priorities and to offer general suggestions on other ways to balance the City's budget. A draft of the survey will be shown in staff’s presentation to Council.

The survey will be available online from May 10-31. Printed copies will be distributed to all community centers and the public library. Additionally, staff will hold an Open House on Priority-Based Budgeting at the Civic Center on May 24th from 3 to 8pm to allow residents to give their input in person. Details of this event will be shared through the City’s website, newsletters, and social media throughout May.

Attachments:
Attachment A – Priority-Based Budgeting Scoring Guidelines
Attachment B – Full Program List with Staff Ranking
2019 Priority-Based Budgeting
Scoring Guidelines

Directions:
Please use the guidelines below in order to complete the scoring matrix for your department. Return completed spreadsheet to Ashley and Kate by Friday, March 30. The Budget Team will follow up with you on any questions about specific programs after this date.

Part I: Basic Program Attributes

Mandated to Provide Program
4   Service is mandated Federally
3   Service is mandated by State
2   Service is mandated by City Charter
1   Service is mandated by City Ordinance or Resolution
0   Service is not mandated

Cost Recovery of Program
4   Service recovers 75-100% of costs
3   Service recovers 50-74% of costs
2   Service recovers 25-49% of costs
1   Service recovers 1-25% of costs
0   Service recovers less than 1% of costs

Change in Demand for Service
4   Demand is significantly increasing
3   Demand is slightly increasing
2   Demand is remaining constant
1   Demand is slightly decreasing
0   Demand is significantly decreasing

Reliance on City to provide service
4   Only City can provide service
3   Only government entities can provide service
2   Only public agencies can provide service
1   Service could be provided by a public agency or not-for-profit
0   Service can be provided by either a public or private entity

Portion of Community Served by Program
4   Program serves the entire community
3   Program serves a substantial part of the community
2   Program serves a significant part of the community
1   Program serves some portion of the community
0   Program serves only a small portion of the community
Part II: 2018 City Council Goals

Rating City Council goals: 0-4 scale
4  Program is essential to achieving the goal
3  Program has a strong influence on the goal
2  Program influences the goal
1  Program has some influence on achieving the goal, though minimal
0  Program has no influence on achieving the goal

Sub-points for each goal serve as guidelines for evaluating the program based on the ratings scale above.

Invest in City Infrastructure and Facilities
- Develops new infrastructure and facilities
- Improves infrastructure and facility effectiveness
- Provides for the maintenance of infrastructure and facilities
- Seeks opportunities to leverage new funding services for improvements
- Connects with the community to address issues and concerns regarding infrastructure and facilities

Enhance community development and job creation citywide
- Creates a safe, business-friendly and sensibly regulated environment that stimulates business development and increases the tax base
- Attracts, retains or develops a well-balanced, diverse mix of commercial, industrial and agriculture business that are sustainable and benefit the economy
- Effectively plans for a reliable, well-maintained and accessible transportation network that meets the current and future growth needs of the community
- Provides a secure, attractive and desirable place to live and work, offering access to core services
- Creates partnerships to expand cultural and artistic opportunities and events throughout the community

Expand Affordable Housing Options
- Facilitates housing options to accommodate a diverse community
- Encourages development of small scale housing options like accessory dwelling units, tiny homes, and micro apartments
- Encourages inclusionary housing practices in private businesses

Further Police/Community Relations Initiatives
- Encourages an inclusive community that is accepting, connected and promotes shared responsibility
- Promotes local community engagement with the Police Department
- Actively seeks honest, open and continued dialogue on issues of race and community relations within departments
Stabilize long-term city finances
- Generates or seeks new revenue to support City operations
- Supports best financial practices of auditing, purchasing, budgeting, and internal controls
- Supports long-term financial planning for debt and capital investment

Part III: Equity

Does the program benefit historically underrepresented or disadvantaged populations?

4  This program is in place specifically to meet the needs of historically underrepresented* Evanston residents
3  This program or service does not specifically target historically underrepresented residents, however, assistance (e.g. scholarship programs) is available to ensure accessibility for all residents.
2  This program does not target underrepresented populations nor does it have provisions to make the program accessible to those populations, however, it is likely that underrepresented populations would be disproportionately impacted if this program is cut.
1  This program provides indirect benefits to underrepresented populations.
0  This program does not provide direct or indirect benefits to underrepresented populations

*historically underrepresented populations - race/ethnicity, sex, physical or mental disability, sexual orientation, gender identity, age, immigrant status, veteran status, language and/or socio-economic status.
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